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ANNUAL  
REPORT  
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**FALCONBRIDGE**  
NICKEL MINES LIMITED



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NICKEL MINES  
LIMITED

FALCONBRIDGE

NICKEL MINES LIMITED

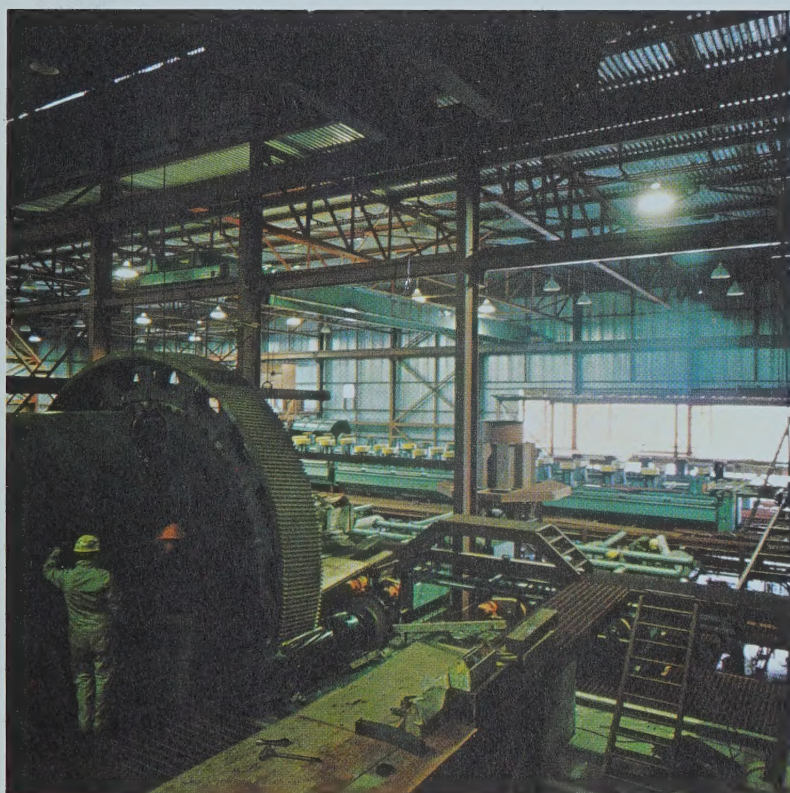
FALCONBRIDGE



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Section of the new Tasu mill as it nears initial operation in the Queen Charlotte Islands, British Columbia, by Wesfrob Mines Limited, a wholly-owned Falconbridge subsidiary.

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## ANNUAL MEETING

Monday, April 24, 1967  
10.00 a.m. (Toronto Time)  
Confederation Room, Royal York Hotel  
Toronto, Ontario

## 1966 HIGHLIGHTS

|  | 1966          | 1965          |
|--|---------------|---------------|
| Nickel deliveries —                                  |               |               |
| pounds   | 78,963,000    | 72,984,000    |
| Metal sales and<br>other operating<br>revenues ..... | \$ 92,495,000 | \$ 82,840,000 |
| Income from<br>investments .....                     | \$ 23,209,000 | \$ 17,418,000 |
| Earnings for the year \$                             | 27,725,000    | \$ 26,768,000 |
| Shares outstanding..                                 | 4,895,000     | 4,892,000     |
| Earnings per share..                                 | \$5.66        | \$5.47        |
| Dividends per share                                  | \$3.50        | \$3.50        |
| Working capital .... \$                              | 32,773,000    | \$ 55,416,000 |
| Market value of<br>investments .....                 | \$170,610,000 | \$192,473,000 |

# FALCONBRIDGE NICKEL MINES LIMITED

7 King Street East, Toronto 1, Ontario, Canada

## Directors

- \*J. D. BARRINGTON,  
President and Managing Director, McIntyre Porcupine Mines Limited
- R. CAMPBELL,  
Executive Vice-President
- C. F. H. CARSON, Q.C.,  
Partner, law firm of Tilley, Carson, Findlay & Wedd
- O. D. COWAN,  
President and General Manager, Ontario Steel Products Company Limited
- \*H. J. FRASER,  
President and Managing Director
- W. F. JAMES,  
Partner in James, Buffam and Cooper, Consulting Geologists
- T. LINDSLEY,  
President, Northfield Mines Inc.
- L. J. MCGOWAN,  
Chairman of the Board, Taylor Woodrow of Canada Limited
- J. STEWART,  
President, National Sanitarium Association
- S. M. WEDD,  
Director, McIntyre Porcupine Mines Limited
- \*R. B. WEST,  
Chairman of the Board, A. E. Ames & Co. Limited  
\*Member of the Executive Committee

## Officers and Corporate Management

|   |                     |
|---|---------------------|
| President and Managing Director             | H. J. FRASER        |
| Executive Vice-President                    | R. CAMPBELL         |
| Vice-President — Corporate Affairs          | G. S. JEWETT        |
| Vice-President — Finance and Secretary      | G. T. N. WOODROOFFE |
| Vice-President — Marketing                  | W. G. DAHL          |
| Vice-President — Nickel Division            | E. L. HEALY         |
| Vice-President — Minerals Division          | P. N. PITCHER       |
| Director of Exploration and Geology         | G. P. MITCHELL      |
| Director of Metallurgy and Research         | F. R. ARCHIBALD     |
| Director of Mining Engineering and Research | E. L. HEALY         |
| General Manager — Nickel Division           | D. R. LOCHHEAD      |
| Chief Engineer                              | R. H. MOORE         |
| Controller                                  | A. W. COOME         |
| Treasurer                                   | J. T. McWHIRTER     |
| Assistant Secretary                         | J. L. MATTHEWS      |
| Manager — Public Relations                  | H. L. HICKEY        |



## REPORT OF THE DIRECTORS

### GENERAL REVIEW

Widespread activity and a small increase in earnings marked your Company's performance in 1966. Against a background of rising market demands and prolonged labour negotiations, construction was pressed forward as rapidly as possible on major projects. By year-end, substantial progress had been made in an accelerated drive to increase productive capacity, the initial benefits of which should be felt in 1968.

Earnings for the year were again at a record level — \$27,725,000 or \$5.66 per share — thus slightly exceeding the previous year's figure of \$26,768,000 or \$5.47 per share. There were significant differences, however, in the composition of earnings for the two years.

An increase of \$6,266,000 in dividends received from partially-owned subsidiaries was primarily responsible for the increase in earnings. Such dividends amounted to \$17,811,000 in 1966 as compared with \$11,545,000 in 1965. The total of the 1966 earnings of these companies changed little from that of 1965, but a greater percentage thereof was paid out in dividends in 1966. Accordingly the Company's interests in these undistributed earnings less losses decreased from \$6,840,000 in 1965 to \$440,000 in 1966. These amounts are not included in Falconbridge earnings.

Total dividends received in 1966 amounted to

\$21,699,000. As these dividends are not subject to tax, they represent 78.3 per cent of the Company's reported net earnings for the year. This compares with 57.7 per cent for 1965 and 40.5 per cent for 1964.

Another major difference in a comparison of earnings for the two years was the increase of \$5,925,000 during 1966 in expenditures on exploration, research and process development. Although the cost of these activities is charged against the income of the year in which they are incurred, such expenditures are made primarily in the interests of long-term objectives.

The demand for metals produced by Falconbridge and its associates remained very high during the year. World consumption of nickel is estimated to have exceeded the record of the previous year by about 10 per cent. In order to alleviate the shortage experienced by consumers, nickel was made available by the United States Government from its stockpile both directly to consumers and through the nickel-producing companies. Falconbridge participated in this program by purchasing 17,000,000 pounds of nickel from the Government for resale on a no-profit basis. The availability of this nickel, most of which was distributed in the year, lessened the supply difficulties faced by our customers. Total nickel deliveries in 1966 at 78,963,000 pounds, were the highest in the Company's history.

The price of copper is of great importance to Falconbridge, not only as a producer on its own account but as a principal shareholder in a number of copper-producing companies — La Luz, Kilembe, Opemiska and Lake Dufault. Higher prices were realized in 1966 than in the previous year for all of these companies except Kilembe. In comparison with 1965, deliveries of copper were higher for Opemiska and La Luz but lower for Kilembe, Lake Dufault and Falconbridge.

Expansion and new development programs continued throughout the year with increasing intensity. The expenditures in the year on the Company's Strathcona Mine and attendant treatment facilities in the Sudbury district, and on the wholly-owned

Wesfrob's iron-copper Tasu Mine and milling facilities in British Columbia, were at an all-time high level and were financed entirely from Company resources.

The construction of a new foundry by Fähralloy Canada Limited at a new location on the outskirts of Orillia, Ontario, at a cost of approximately \$2,350,000, was financed by this wholly-owned subsidiary from its working capital and a bank loan. Production facilities will be expanded and divided between the new and older plants.

Dividends paid by Falconbridge in 1966 totalled \$3.50 per share, the same rate as in 1965; 75 cents per share was paid in each quarter plus an extra dividend of 50 cents at the year-end.

## MARKETS

| FALCONBRIDGE<br>METAL DELIVERIES | Pounds     |            |
|----------------------------------|------------|------------|
|                                  | 1966       | 1965       |
| Nickel .....                     | 78,963,000 | 72,984,000 |
| Copper .....                     | 32,872,000 | 33,813,000 |

The upward trend in nickel consumption continued for a fourth straight year. Nickel deliveries from our production were augmented by purchased nickel from the United States Government stockpile. This enabled the Company to increase nickel deliveries to the highest level in its history.

Copper production and deliveries were somewhat lower than in the preceding year.

### METAL PRICES

Free World nickel prices were raised late in 1966. The base price for electrolytic nickel was increased by U.S. 7½ cents per pound, from 77¾ cents to 85¼ cents. The increase was made effective by the Company as from December 1, 1966. Suspension of the import duty of 1¼ cents per pound of refined nickel, announced by the United States Government

in September, 1965, continued throughout 1966.

Copper prices fluctuated during the year in response to changing market conditions. Until May, 1966, the "producers' price", at which most copper sales were made (including those of Falconbridge) stood at U.S. 42 cents per pound. The successive establishment of several different levels of substantially higher prices by individual companies or countries produced a chaotic situation in the wake of disrupted copper supplies from Chile and Africa. These price fluctuations prevailed until September when most producers, including Falconbridge, adopted prices related to or more nearly in line with the transactions of the London Metal Exchange (LME). In 1966, LME prices for cash wire bars were very erratic, reaching a short-lived high of £790 per long ton (U.S. 98¾ cents per pound) in April, followed by sharp declines to a low of £355 (U.S. 44⅜ cents per pound) in August. The prices were steadier in the last quarter of the year, with a year-end price of about £447 per long ton or U.S. 55⅞ cents per pound.



## FINANCIAL REVIEW

### SUMMARY DATA

|   | 1966          | 1965          | 1964          |
|---|---------------|---------------|---------------|
| Earnings .....  | \$ 27,725,000 | \$ 26,768,000 | \$ 21,965,000 |
| — per share .....   | \$5.66        | \$5.47        | \$4.51        |
| Operating profit from nickel operations .....   | \$ 21,961,000 | \$ 23,380,000 | \$ 23,999,000 |
| Dividends received from partially-owned subsidiary and other companies .....                              | \$ 21,699,000 | \$ 15,448,000 | \$ 8,900,000  |
| Dividends paid to shareholders .....  | \$ 17,129,000 | \$ 17,096,000 | \$ 13,617,000 |
| — per share .....   | \$3.50        | \$3.50        | \$2.80        |
| Expenditures on exploration, research and process development .....                                       | \$ 12,521,000 | \$ 6,596,000  | \$ 4,430,000  |
| Expenditures (net) on property and plant and on mines to be brought into production in future years ..... | \$ 50,381,000 | \$ 20,537,000 | \$ 11,012,000 |
| Working capital (at December 31) .....  | \$ 32,773,000 | \$ 55,416,000 | \$ 58,831,000 |
| — per share .....   | \$6.70        | \$11.33       | \$12.08       |
| Indicated market value of shares in unconsolidated subsidiary and other companies (at December 31) .....  | \$170,610,000 | \$192,473,000 | \$165,728,000 |
| — per share .....   | \$34.86       | \$39.35       | \$34.02       |

### EARNINGS

Earnings for the year at \$27,725,000 were \$957,000 greater than in 1965; the principal factors for this increase are set forth in the opening paragraphs of this report. Operating profits from nickel operations were lower by \$1,419,000 and provision for income taxes decreased by \$2,425,000.

The substantial increases in metal sales and other operating revenues, from \$82,840,000 in 1965 to \$92,495,000 in 1966, and in the cost of sales from \$50,433,000 in 1965 to \$60,752,000 in 1966, reflect primarily the higher level of deliveries — including material from the U.S. Government stockpile which was sold on a no-profit basis. Unit costs of production increased sharply in the last half of the year at the Sudbury Operations because of higher wages under the new labour contract and the effects of lower output. The price of copper realized by the Company was significantly higher than in 1965. The increased price of nickel was realized only for the month of December.

Total dividend income from partially-owned subsidiary and other companies amounted to \$21,699,000. Dividends from Lake Dufault Mines Limited amounted to \$8,446,000, an increase of \$4,751,000 over 1965; La Luz Mines Limited contributed dividends of

\$5,600,000, an increase of \$2,142,000. Dividends from Kilembe and Giant Yellowknife at \$2,970,000 and \$648,000 were less than in 1965 by \$582,000 and \$432,000 respectively. Alminex Limited and Industrial Minerals of Canada Limited contributed dividends of \$391,000 and \$337,000 respectively, compared with \$467,000 and \$306,000 in the previous year. United Keno Hill Mines Limited paid no dividends in 1966.

Expenditures on exploration, research and process development, which were much greater than in any previous year, covered a number of projects in which there was unusual activity. Included in exploration expenditures were the development programs at the properties of New Quebec Raglan Mines Limited and D'Eldona Gold Mines Limited, both in the province of Quebec. Research and process development expenditures included the pilot plant construction in the Dominican Republic and development of a pyrrhotite treatment process.

### INCOME TAXES

The provision for income taxes was less in 1966 than in 1965 by \$2,425,000 due largely to lower taxable operating profit, higher allowable exploration and research expenses and higher capital cost allowances.



Income taxes have been calculated in respect of reported income, but because of permissible deductions from taxable income in advance of the corresponding charges being made in the Company's earnings account, the actual payment of some of these taxes will be deferred to future years. When the deferred taxes are paid they will be charged against the provisions already made for them rather than against the earnings account of that period. Deferred taxes in each of the years 1965 and 1966 amounted to \$5,500,000. The provision for income taxes includes Federal and Ontario income taxes, Ontario mining taxes which are based on income, and Norwegian income taxes. In 1966 all Federal and Ontario income taxes were deferred.

## WORKING CAPITAL

Expenditures on the Strathcona and Tasu projects amounted to \$16,942,000 and \$23,206,000 respectively out of total expenditures of a capital nature of \$50,381,000, or about two and one-half times those in 1965. After payment of dividends of \$17,129,000, operations provided funds of \$19,756,000; disposals less acquisitions of shares and debentures of subsidiary and other companies provided \$9,409,000, and most of the remainder of the funds required by the Company came from its own working capital which was reduced by \$22,643,000, from \$55,416,000 at the beginning of the year to \$32,773,000 at the end.

Details of the source and application of the Company's funds are given on page 14 of this report.

## NICKEL

| MINES                             | 1966      | 1965      |
|-----------------------------------|-----------|-----------|
| Ore delivered to treatment plants |           |           |
| from Company mines (tons)         | 2,101,000 | 2,344,000 |

Production of ores from Company mines was down in 1966 from 1965 by slightly over 10 per cent, but as a result of higher quantities of nickel in feed from other sources, primarily in concentrates from Marbridge Mines Limited, the smelter production of nickel in matte was down by less than 4 per cent.

A very heavy program of development work was carried on at the Strathcona Mine toward preparing it for production. Over 14,000 feet each of drifting

## INVESTMENT IN UNCONSOLIDATED SUBSIDIARY AND OTHER COMPANIES

The more important realizations in 1966 were from repayments of income debentures by Lake Dufault Mines Limited and Zeballos Iron Mines Limited, and from sales of shares of Pine Point Mines Limited, Kilembe Mines Limited, and La Luz Mines Limited. Purchases included the majority of the outstanding first mortgage bonds of Acton Limestone Quarries Limited.

Gains on realizations of investments amounted to \$6,197,000. From these gains there have been deducted amounts, totalling \$2,802,000, written off investments in subsidiary and other companies. The difference, a net gain of \$3,395,000, is included in the Retained Earnings Statement.

Reflecting the general level of stock market prices, the indicated market value of \$170,610,000 of investments in unconsolidated subsidiary and other companies as at December 31, 1966, was \$21,863,000 below the value at the end of the preceding year. While some of this reduction was attributable to the sales referred to above, most of the reductions were due to lower market prices, the chief of which were in Kilembe Copper Cobalt Ltd., Giant Yellowknife Mines Limited, United Keno Hill Mines Limited, Kiena Gold Mines Limited and New Quebec Raglan Mines Limited. Improvement took place in the market prices of Alminex and La Luz.

Details of these investments are given in the statement appearing on pages 16 and 17.

## OPERATIONS REVIEW

and of raising were completed in the year. The No. 2 shaft was completed at a depth of 3,144 feet below collar, and the cage hoist was put in service in December. At the Longvack South Mine, a surface plant was constructed and the collar was completed ready for sinking.

Development work also continued in the producing mines. Drifting was carried on from the No. 9 internal shaft at the Falconbridge Mine on various levels between the 4700 and 5875-foot levels. East Mine No. 2 shaft was deepened to the 5600 horizon towards its objective at the 6050 level.



## TREATMENT PLANTS AND REFINERY

The smelter, pyrrhotite plant and the three mills operated without interruption except for the curtailment of feed created by a shortage of skilled miners and labour unrest in the latter half of the year.

Refined nickel production was slightly higher than in the previous record year of 1961. Production at the refinery was limited by the supply of feed, and inventories of unfinished nickel were somewhat reduced. Stable operating conditions existed throughout the year.

## EXPENDITURES ON MINES AND PLANTS

|   | <u>1966</u>         | <u>1965</u>         | <u>1964</u>         |
|---|---------------------|---------------------|---------------------|
| Property, plant and equipment<br>—Nickel operations |                     |                     |                     |
| Canada .....  | \$17,542,000        | \$ 5,387,000        | \$ 3,280,000        |
| Norway .....  | 4,099,000           | 1,054,000           | 575,000             |
|   | <u>\$21,641,000</u> | <u>\$ 6,441,000</u> | <u>\$ 3,855,000</u> |
| Preproduction —<br>Strathcona and Longvack          |                     |                     |                     |
| South .....   | \$ 4,313,000        | \$ 3,609,000        | \$ 1,691,000        |
|   | <u>\$25,954,000</u> | <u>\$10,050,000</u> | <u>\$ 5,546,000</u> |

The increasing scale of expenditures shown by the foregoing figures reflects primarily the activity in preparing the Strathcona mine and mill for production. Total expenditures on this project for 1966 for capital and preproduction expenditures amounted to almost \$17,000,000, bringing total expenditures to slightly over \$33,000,000. Steel erection for the crushing and screening plant was nearing completion by year-end. The concentrator building was erected and installation of machinery was started. General services, including an extension of the railway to serve the Strathcona Mine, were brought to various stages of completion.

Preparation of the smelter and auxiliary facilities to handle the increased volumes when Strathcona Mine comes into production also involved significant expenditures in the year.

Because of a shortage of living accommodations in the Sudbury district, which added to the difficulty of attracting new employees, the Company found it necessary to expand its available housing by sixty-two units during the year. Most of these units will be occupied by employees in the Onaping area.

March 1967 — Aerial view shows advanced stage of construction at Strathcona nickel project in the Sudbury Basin.





In order to provide direct and more economical rail service to the Falconbridge plants, the Canadian Pacific Railway undertook to provide a spur line connection from Coniston to the lower yard. This new service was ready to operate at year-end.

At Kristiansand, Norway, work on construction of a new laboratory and rationalization of other facilities accounted for expenditures on plant and equipment.

## **EMPLOYEES**

Labour matters in the Sudbury district presented many problems throughout the year. A continuous shortage of skilled miners and tradesmen hampered both production of ore and heavy construction programs, as well as impeding the work of all contractors.

Inter-union rivalry in the district became rather intense at times. The contest for the right to represent the Company's hourly-rated employees as bargaining agents resulted in a vote in favour of the Sudbury Mine, Mill and Smelter Workers' Union, Local 598, the incumbent Union. A three-year collective agreement was signed effective August 21, 1966, providing for extensive wage increases and fringe benefits. Relations between your Company and its employees continued throughout the year on a friendly basis.

On October 13th, a separate collective agreement was signed with the Sudbury Mine, Mill and Smelter Workers' Union covering a small group of diamond drillers operating away from the mines.

The United Steelworkers of America was certified on September 14th as bargaining agent for the Office, Clerical and Technical employees of the Company at the Sudbury Operations. A three-year agreement was signed effective March 1, 1967.

At the refinery in Norway, good relations existed between the Company and its employees. A new two-year collective agreement was made effective from April 1, 1966.

The number of employees at the Sudbury Operations increased by 230 to a total of 3,274 by year-end.

At Kristiansand there was little change in the number employed.

## **ORE RESERVES**

After extracting 2,101,000 tons for treatment, the ore reserves were increased in both tons and metal content. Development programs in the mines, especially at Falconbridge and Strathcona, and completion of the drilling program at Lockerby, accounted for the gain in reserves.

Proven ore reserves at year-end were calculated at 55,717,500 tons with a combined nickel-copper content of 1,172,000 tons as compared with 55,260,000 containing 1,162,000 tons at the end of 1965. Estimates of the Company's reserves of probable ore also increased in the year from 17,900,000 tons of ore containing 304,000 tons of nickel-copper metal to 19,143,200 tons of ore containing 326,411 tons of metal.

## **DOMINICAN REPUBLIC PILOT PLANT**

The activities at Falconbridge Dominicana in 1966 were predominantly directed toward the construction of a larger scale metallurgical pilot plant, with the aim of establishing criteria for a commercial-sized operation. The earlier pilot plant, which was shut down in March, 1966, after attaining its metallurgical objective, was dismantled and re-construction on the site followed promptly. The enlarged pilot plant, with a capacity four times that of the previous plant, began operating in February, 1967.

Expenditures during the year of over \$2,700,000, charged in the accounts as process development, were primarily for the expanded pilot plant and for the construction of supporting facilities including office, laboratory, shops, housing, etc. Additional staff appointments were made in both the metallurgical and mechanical supervisory groups in the latter part of the year. Ore reserves were unchanged from 1965.

## **AFFILIATED COMPANIES**

For comments concerning the activities of subsidiary and associated companies, please refer to pages 18 to 31.



## OTHER ACTIVITIES

### EXPLORATION

In the Sudbury district, what is thought to be a significant new ore zone was found below the Onaping Mine 3050 level and to the east of the Onaping Depth ore shoot. Encouraging results were also obtained within the area immediately east of the Fecunis Lake orebody.

Exploratory work was continued within the Manitoba nickel belt. Additional drilling on the properties held in conjunction with other mining companies extended the previously known sulphide occurrences.

A small but relatively high grade zinc orebody was outlined by additional surface drilling on the D'Eldona property, located in the Noranda area of Quebec. This new zone will be explored in detail from underground.

Extensive exploratory work was carried out on several properties in British Columbia as well as other areas within Canada and abroad.

Under the terms of an agreement with Alminex Limited, the Company has the right to earn a 50 per cent interest in Alminex (U.K.) Limited, which has a 25 per cent interest in three licensed areas in the British sector of the North Sea.

### ORGANIZATION

Mr. R. C. Mott, Vice-President - Operations and well known throughout the mining industry, retired as of December 31st after 39 years' service. He is continuing his association with the Company as a consultant.

The Board records with profound sorrow the death in October of Mr. R. M. Oliver who was General Manager - Nickel Division and who had faithfully served the Company in various capacities for 38 years. Mr. D. R. Lochhead, who was Manager - Sudbury Operations, was appointed General Manager — Nickel Division as of January 16, 1967. Mr. G. A. Allen was appointed to succeed Mr. Lochhead as Manager — Sudbury Operations, as of March 1, 1967.

### SHAREHOLDERS

Warrants and options to purchase 2,800 shares of the Company were exercised during the year to bring the outstanding shares to 4,894,607. As at December 31, 1966, options and warrants were outstanding for the purchase of 10,526 shares. There were 13,974 shareholders at the end of the year (13,979 in 1965), of whom 10,157 were of Canadian registry, holding approximately 79 per cent of the outstanding shares.

### APPRECIATION

The past year has been an unusually difficult one for employees in all phases of the Company's operations. The substantial headway made on major programs and high-priority projects, despite many obstacles, is a tribute to the effective support received from all levels of staff and production personnel. Your Directors wish to acknowledge the efforts of management and employees in our affiliated companies, who have contributed significantly to Falconbridge financial results in 1966. The understanding and patience of our nickel customers during the current period of stringent supply, and the cooperation of our sales representatives in world-wide markets, have meant a great deal to us. To all others who have contributed to another successful year through their support or interest — including contractors, suppliers, government and the news media — we likewise extend our appreciation.

On behalf of the Board of Directors,



Toronto,  
March 23, 1967.

President and  
Managing Director

**FALCONBRIDGE NICKEL MINES LIMITED**  
AND ITS WHOLLY-OWNED SUBSIDIARIES

**CONSOLIDATED BALANCE SHEET**

(with comparative figures for 1965)

| <b>ASSETS</b>   |    | <b>1966</b>          | <b>1965</b>          |
|---|----|----------------------|----------------------|
| <b>CURRENT:</b>   |    |                      |                      |
| Cash .....  | \$ | 2,785,000            | \$ 1,756,000         |
| Government and other marketable securities at cost (market value, 1966 — \$10,790,000; 1965 — \$33,105,000) |    | 10,718,000           | 32,963,000           |
| Accounts receivable .....   |    | 18,682,000           | 18,055,000           |
| Inventories at the lower of cost or market (note 3) .....   |    | 18,419,000           | 13,759,000           |
|   |    | <u>50,604,000</u>    | <u>66,533,000</u>    |
| <b>INVESTMENT IN UNCONSOLIDATED SUBSIDIARY AND OTHER COMPANIES at cost less amounts written off:</b>        |    |                      |                      |
| Subsidiary companies (note 1)   |    |                      |                      |
| Shares .....  |    | 28,532,000           | 29,818,000           |
| Advances and debentures .....   |    | 3,525,000            | 6,412,000            |
|   |    | <u>32,057,000</u>    | <u>36,230,000</u>    |
| Other companies .....   |    |                      |                      |
| Shares .....  |    | 27,122,000           | 29,367,000           |
| Advances and debentures .....   |    | 534,000              | 534,000              |
|   |    | <u>27,656,000</u>    | <u>29,901,000</u>    |
|   |    | <u>59,713,000</u>    | <u>66,131,000</u>    |
| <b>FIXED:</b>   |    |                      |                      |
| Plant and equipment at cost .....   |    | 147,446,000          | 108,280,000          |
| Less accumulated depreciation .....   |    | 84,916,000           | 81,647,000           |
|   |    | <u>62,530,000</u>    | <u>26,633,000</u>    |
| Mining and other property at cost .....   |    | 4,892,000            | 4,700,000            |
|   |    | <u>67,422,000</u>    | <u>31,333,000</u>    |
| <b>OTHER:</b>   |    |                      |                      |
| Supplies (at average cost) and prepaid expenses .....   |    | 6,072,000            | 5,366,000            |
| Deposits, long-term accounts receivable and other assets  |    | 1,214,000            | 802,000              |
| Special refundable tax .....  |    | 854,000              | —                    |
| Preproduction expenditures deferred (note 4) .....  |    | 30,709,000           | 20,073,000           |
|   |    | <u>38,849,000</u>    | <u>26,241,000</u>    |
|   |    | <u>\$216,588,000</u> | <u>\$190,238,000</u> |

See notes to consolidated financial statements

To the Shareholders of  
Falconbridge Nickel Mines Limited:

We have examined the consolidated balance sheet of Falconbridge Nickel Mines Limited and its wholly-owned subsidiaries as at December 31, 1966 and the statements of consolidated earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada  
March 3, 1967.

**AUDITOR**



## HEET DECEMBER 31, 1966

(December 31, 1965)

### LIABILITIES

|  | <u>1966</u>           | <u>1965</u>          |
|--|-----------------------|----------------------|
| <b>CURRENT:</b>  |                       |                      |
| Bank indebtedness (subsidiary company) .....                         | \$ 850,000            | \$ —                 |
| Accounts payable and accrued charges .....                           | 16,108,000            | 8,703,000            |
| Final payment on first mortgage bonds —<br>due August 15, 1966 ..... | —                     | 1,000,000            |
| Income and other taxes payable (estimated) .....                     | 873,000               | 1,414,000            |
|  | <u>17,831,000</u>     | <u>11,117,000</u>    |
| <br><b>DEFERRED INCOME TAXES: .....</b>                              | <br><u>11,600,000</u> | <br><u>6,500,000</u> |
| <br><b>SHAREHOLDERS' EQUITY:</b>                                     |                       |                      |
| Capital (note 6)   |                       |                      |
| Authorized: 5,000,000 shares of no par value                         |                       |                      |
| Issued: 4,894,607 shares (1965 — 4,891,807<br>shares) .....          | 79,215,000            | 79,079,000           |
| Retained earnings .....  | 100,442,000           | 87,542,000           |
| Reserve for investment in mining companies .....                     | 7,500,000             | 6,000,000            |
|  | <u>187,157,000</u>    | <u>172,621,000</u>   |

On behalf of the Board:

H. J. FRASER, Director

R. B. WEST, Director

\$216,588,000      \$190,238,000

Financial statements

## REPORT

In our opinion the aforementioned consolidated financial statements present fairly the financial position of the companies as at December 31, 1966 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CLARKSON, GORDON & CO.  
Chartered Accountants.

**FALCONBRIDGE NICKEL MINES LIMITED**  
AND ITS WHOLLY-OWNED SUBSIDIARIES

**STATEMENT OF CONSOLIDATED EARNINGS**

FOR THE YEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year 1965)

|   | 1966                | 1965                |
|---|---------------------|---------------------|
| Metal sales and other operating revenues .....  | <u>\$92,495,000</u> | <u>\$82,840,000</u> |
| Cost of sales and operating expenses other than the under-<br>mentioned items .....   | <u>60,752,000</u>   | 50,433,000          |
| Selling, general and administrative expenses (including re-<br>muneration of directors as such of \$42,800 in 1966 and<br>\$42,500 in 1965) ..... | <u>4,813,000</u>    | 4,502,000           |
|   | <u>65,565,000</u>   | <u>54,935,000</u>   |
| Operating profit from nickel operations before providing for<br>development expenditures and depreciation .....                                   | <u>26,930,000</u>   | <u>27,905,000</u>   |
| Development expenditures (note 4) .....   | <u>1,665,000</u>    | 1,824,000           |
| Depreciation (including net gain or loss on disposal of depre-<br>ciable fixed assets) .....  | <u>3,304,000</u>    | 2,701,000           |
|   | <u>4,969,000</u>    | <u>4,525,000</u>    |
| Operating profit from nickel operations .....   | <u>21,961,000</u>   | <u>23,380,000</u>   |
| Other income:   |                     |                     |
| Earnings before income taxes of wholly-owned subsid-<br>iaries not engaged in nickel operations (note 7) ....                                     | <u>1,284,000</u>    | 1,251,000           |
| Dividends received from —   |                     |                     |
| Partially-owned subsidiaries .....  | <u>17,811,000</u>   | 11,545,000          |
| Other companies .....   | <u>3,888,000</u>    | 3,903,000           |
| Income from investment in short-term securities .....   | <u>1,510,000</u>    | 1,970,000           |
|   | <u>24,493,000</u>   | <u>18,669,000</u>   |
|   | <u>46,454,000</u>   | <u>42,049,000</u>   |
| Other deductions from income:   |                     |                     |
| Interest on long-term liabilities .....   | <u>33,000</u>       | 85,000              |
| Expenditures on exploration .....   | <u>6,967,000</u>    | 3,899,000           |
| Expenditures on research and process development ....   | <u>5,554,000</u>    | 2,697,000           |
|   | <u>12,554,000</u>   | <u>6,681,000</u>    |
| Earnings before income taxes .....  | <u>33,900,000</u>   | <u>35,368,000</u>   |
| Income taxes:   |                     |                     |
| Current .....   | <u>675,000</u>      | 3,100,000           |
| Deferred .....  | <u>5,500,000</u>    | 5,500,000           |
|   | <u>6,175,000</u>    | <u>8,600,000</u>    |
| Earnings for the year .....   | <u>\$27,725,000</u> | <u>\$26,768,000</u> |

See notes to consolidated financial statements



**FALCONBRIDGE NICKEL MINES LIMITED**  
AND ITS WHOLLY-OWNED SUBSIDIARIES

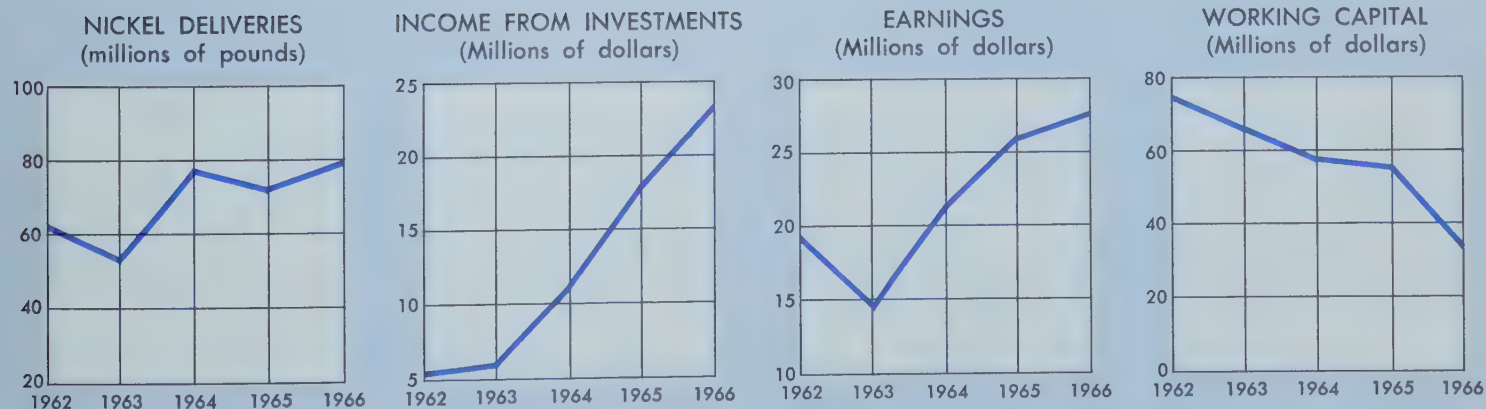
**STATEMENT OF CONSOLIDATED RETAINED EARNINGS**

FOR THE YEAR ENDED DECEMBER 31, 1966

(with comparative figures for the year 1965)

|   | 1966                 | 1965                 |
|---|----------------------|----------------------|
| Balance at beginning of year .....  | \$ 87,542,000        | \$ 78,092,000        |
| Add: Earnings for the year .....  | 27,725,000           | 26,768,000           |
| Gain (net) on the disposal of land and investments in subsidiary and other companies less \$2,802,000 (net of deferred tax of \$400,000) written off such investments in 1966 (\$582,000 written off in 1965) ..... | 3,395,000            | 2,843,000            |
| Recovery of (provision for) income taxes of prior years ..  | 409,000              | (1,565,000)          |
|   | <u>119,071,000</u>   | <u>106,138,000</u>   |
| Deduct: Dividends paid  | 17,129,000           | 17,096,000           |
| Amount appropriated as reserve for investment in mining companies .....   | 1,500,000            | 1,500,000            |
|   | <u>18,629,000</u>    | <u>18,596,000</u>    |
| Balance at end of year .....  | <u>\$100,442,000</u> | <u>\$ 87,542,000</u> |

See notes to consolidated financial statements



**FALCONBRIDGE NICKEL MINES LIMITED**  
AND ITS WHOLLY-OWNED SUBSIDIARIES

**STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 1966**

(with comparative figures for the year 1965)

|  | <u>1966</u>         | <u>1965</u>  |
|--|---------------------|--------------|
| <b>SOURCE OF FUNDS:</b>  |                     |              |
| From operations being —  |                     |              |
| Earnings for the year .....  | <b>\$27,725,000</b> | \$26,768,000 |
| Charges against earnings which in themselves did not<br>involve a cash outlay during the year:                               |                     |              |
| Depreciation .....   | <b>3,660,000</b>    | 2,976,000    |
| Income taxes deferred to future years ....   | <b>5,500,000</b>    | 5,500,000    |
|  | <b>36,885,000</b>   | 35,244,000   |
| Sale of shares in and repayment of debentures and ad-<br>vances by unconsolidated subsidiary and other com-<br>panies .....  | <b>11,121,000</b>   | 6,807,000    |
| Issue of shares under options and warrants .....   | <b>136,000</b>      | 777,000      |
| Recovery of (provision for) prior years' income taxes ....   | <b>409,000</b>      | (1,565,000)  |
|  | <b>48,551,000</b>   | 41,263,000   |
| <b>APPLICATION OF FUNDS:</b>   |                     |              |
| Payment of dividends to shareholders .....   | <b>17,129,000</b>   | 17,096,000   |
| Expenditures (net) on property and plant and on mines to<br>be brought into production in future years .....                 | <b>50,381,000</b>   | 20,537,000   |
| Purchase of shares and debentures in and the advancing<br>of funds to unconsolidated subsidiary and other<br>companies ..... | <b>1,712,000</b>    | 5,161,000    |
| Reduction in long-term liabilities .....   | —                   | 1,000,000    |
| Increase in supplies and other non-current assets .....  | <b>1,118,000</b>    | 884,000      |
| Special refundable tax .....   | <b>854,000</b>      | —            |
|  | <b>71,194,000</b>   | 44,678,000   |
| Decrease in funds during the year .....  | <b>22,643,000</b>   | 3,415,000    |
| Working capital at beginning of year .....   | <b>55,416,000</b>   | 58,831,000   |
| Working capital at end of year .....   | <b>\$32,773,000</b> | \$55,416,000 |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 1966**

1. The consolidated financial statements for 1966 reflect the financial position and the results of operations of Falconbridge Nickel Mines Limited and all its wholly-owned subsidiary companies.

The partially-owned subsidiaries have not been consolidated as it is the company's view that a more intelligent appraisal of its financial position may be obtained from attached financial statements together with the information supplied on pages 20 to 31 with respect to the more important unconsolidated subsidiary and other companies. The earnings of the unconsolidated subsidiary companies are included in income to the extent of dividends received; such dividends were \$440,000 less than the company's share of the aggregate profits less losses of the subsidiaries for their financial years ended in 1966. The company's share of the aggregate of the accumulated profits less losses of these subsidiaries from date of acquisition to the end of their 1966 financial years not taken up in the parent company's accounts amounted to approximately \$11,140,000.



2. Assets and liabilities in currencies other than Canadian dollars have been translated into Canadian dollars at current quoted rates of exchange at December 31, 1966, except fixed assets and the related accumulated depreciation which have been translated at the rates prevailing when the expenditures on fixed assets were made. Revenues and expenses in currencies other than Canadian dollars have been translated into Canadian dollars at the average monthly quoted rates of exchange except that provisions for depreciation have been translated at the rates prevailing when the expenditures on the related fixed assets were made.

3. Inventories consist of the following:

|                                     | 1966                | 1965                |
|-------------------------------------|---------------------|---------------------|
| Falconbridge Nickel Mines Limited — |                     |                     |
| Refined metals .....                | \$ 9,787,000        | \$ 3,693,000        |
| Matte and metals in process .....   | 7,500,000           | 9,005,000           |
|                                     | <u>\$17,287,000</u> | <u>\$12,698,000</u> |
| Fahralloy Canada Limited —          |                     |                     |
| Materials and work in process ..... | 1,132,000           | 1,061,000           |
|                                     | <u>\$18,419,000</u> | <u>\$13,759,000</u> |

The cost of inventories derived from the company's own ore (\$10,588,000 in 1966) has been determined on a "last-in, first-out" basis; the cost of inventories derived from other sources (\$6,699,000 in 1966) has been determined on a "first-in, first-out" basis. The materials inventories of Fahralloy Canada Limited (\$419,000 in 1966) have been valued at average cost and its work in process inventories (\$713,000 in 1966) at direct cost.

4. It is the companies' practice to defer preproduction expenditures (being those expenditures other than capital made for the purpose of bringing a new mine into production) until the new mines come into production after which time they will be written off in an appropriate manner. No development expenditures (being those incurred by mines in production) were deferred at December 31, 1966 (or 1965) as these expenditures are written off as incurred (with a limitation of \$2.00 per ton of company ore treated).
5. There are commitments outstanding in connection with construction in progress and development and exploration amounting to approximately \$12,067,000. In addition there are contingent liabilities under guarantees of \$1,327,000.
6. In 1959 the company reserved 75,000 of its unissued shares for the purpose of granting to officers and employees of the company and its subsidiaries options to purchase shares of the company at \$25.00 each (the approximate market price at the date these shares were reserved); in 1964 the option price with respect to those shares (29,000) on which options had not been previously granted was altered by resolution of the Board of Directors to 90 percent of the market price at the close of business on the day preceding the granting of the option. Options on these shares (29,000) were subsequently granted at \$61.75 per share. Under the terms of an agreement whereby on January 31, 1962, Falconbridge purchased all the assets of Ventures Limited and assumed all the liabilities and obligations of Ventures, the company assumed an obligation to issue shares of its unissued capital stock under the terms of warrants issued to Ventures' debenture holders. The shares issued during 1966 and the position at December 31, 1966 in respect of these options and warrants are summarized as follows:

|  | Shares issued<br>during 1966 | Shares subject to issue under<br>options and warrants<br>outstanding at<br>December 31, 1966 |
|--|------------------------------|--|
| Under options exercisable on or<br>before May 31, 1969 —     |                              |  |
| at \$25.00 per share .....                                   | 1,000                        | 500  |
| at \$61.75 per share .....                                   | 1,800                        | 4,500  |
| Under warrants exercisable on or<br>before October 1, 1969 — |                              |  |
| at U.S. \$19.23 per share .....                              | Nil                          | 3,021  |
| at U.S. \$20.00 per share .....                              | Nil                          | 2,505  |
|  | <u>2,800</u>                 | <u>10,526</u>  |

7. The earnings before income taxes for wholly-owned subsidiary companies not engaged in nickel operations are after deducting directors' fees of \$6,000 (1965 — \$3,000) and depreciation of \$356,000 (1965 — \$271,000).

**FALCONBRIDGE NICKEL MINES LIMITED**  
AND ITS WHOLLY-OWNED SUBSIDIARIES

**STATEMENT OF CONSOLIDATED INVESTMENT IN UNCONSOLIDATED SUBSIDIARIES**  
(with comparative figures for 1965)

| 1966  |                                     |                                |                                       |                               |
|---|-------------------------------------|--------------------------------|---------------------------------------|-------------------------------|
|   | Number of<br>shares or<br>par value | S H A R E S                    |                                       | Advances<br>and<br>debentures |
|   |                                     | % of<br>outstanding<br>capital | Indicated<br>market value<br>(note A) |                               |
| SUBSIDIARY COMPANIES:                             |                                     |                                |                                       |                               |
| Acton Limestone Quarries Limited .....            |                                     |                                |                                       |                               |
| Common shares .....                               | 386,000                             | 53.9                           | \$ 39,000                             |                               |
| 6 1/2% first mortgage bonds due May 15, 1982 .... | \$2,200,000                         |                                |                                       | \$1,407,000                   |
| Alminex Limited .....                             | 3,913,871                           | 51.5                           | 18,591,000                            |                               |
| Canadian Malartic Gold Mines Limited .....        | 2,197,510                           | 60.2                           | 231,000                               |                               |
| Dominion Magnesium Limited .....                  | 263,004                             | 55.2                           | 1,611,000                             |                               |
| Empire Ventures Limited .....                     |                                     |                                |                                       |                               |
| Class A shares (note B) .....                     | 500                                 | 58.8                           |                                       |                               |
| Class B shares (note B) .....                     | 10,000                              | 58.8                           |                                       |                               |
| 6% debenture due March 31, 1970 .....             | U.S. \$1,008,506                    |                                |                                       | 1,084,000                     |
| 5 3/4% demand note .....                          | \$ 27,500                           |                                |                                       | 28,000                        |
| Horne Fault Mines Limited (note C) .....          | 1,988,638                           | 58.5                           | 298,000                               |                               |
| Industrial Minerals of Canada Limited .....       | 612,419                             | 71.5                           | 5,359,000                             |                               |
| Kiena Gold Mines Limited .....                    |                                     |                                |                                       |                               |
| Preferred shares (notes B and C) .....            | 2,467,459                           | 100.0                          |                                       |                               |
| Common shares .....                               | 3,331,203                           | 68.3                           | 2,165,000                             |                               |
| 6% income debentures due December 31, 1977-8 ...  | \$ 250,000                          |                                |                                       | 215,000                       |
| Kilembe Copper Cobalt Ltd. ....                   | 2,820,827                           | 72.8                           | 23,977,000                            |                               |
| Lake Dufault Mines Limited .....                  |                                     |                                |                                       |                               |
| Common shares .....                               | 2,111,630                           | 51.1                           | 28,507,000                            |                               |
| 4 1/2% income debentures due December 31, 1974    |                                     |                                |                                       |                               |
| La Luz Mines Limited .....                        | 920,794                             | 58.3                           | 17,495,000                            |                               |
| New Pascal Mines Limited .....                    | 735,494                             | 61.3                           | 147,000                               |                               |
| New Quebec Raglan Mines Limited .....             | 4,436,196                           | 59.1                           | 19,963,000                            |                               |
| Q.M.I. Minerals Limited .....                     | 649,543                             | 64.2                           | 1,442,000                             |                               |
| Zeballos Iron Mines Limited (note D) .....        |                                     |                                |                                       |                               |
| 5% income debenture due December 31, 1970 ...     | \$ 348,539                          |                                |                                       | 348,000                       |
| 6% series B bond due on demand .....              | U.S. \$ 450,000                     |                                |                                       | 300,000                       |
| Miscellaneous shareholdings and advances .....    |                                     |                                | 117,000                               | 143,000                       |
|   |                                     |                                | <u>119,942,000</u>                    | <u>3,525,000</u>              |
| OTHER COMPANIES:                                  |                                     |                                |                                       |                               |
| Akaitcho Yellowknife Gold Mines Limited .....     | 1,198,230                           | 36.7                           | 671,000                               |                               |
| Canada Tungsten Mining Corporation .....          |                                     |                                |                                       |                               |
| Common shares .....                               |                                     |                                |                                       |                               |
| 6% debentures due December 31, 1971 .....         | \$ 389,136                          |                                |                                       | 389,000                       |
| 6% demand note .....                              | \$ 145,200                          |                                |                                       | 145,000                       |
| Dunraine Mines Limited (note C) .....             | 979,820                             | 46.4                           | 470,000                               |                               |
| Giant Yellowknife Mines Limited .....             | 1,080,809                           | 25.1                           | 8,430,000                             |                               |
| Joliet-Quebec Mines Limited .....                 | 1,128,800                           | 22.0                           | 559,000                               |                               |
| Marbridge Mines Limited (note B) .....            | 1,500,000                           | 50.0                           |                                       |                               |
| McIntyre Porcupine Mines Limited .....            | 175,825                             | 7.4                            | 14,769,000                            |                               |
| Opemiska Copper Mines (Quebec) Limited .....      | 1,993,236                           | 36.1                           | 18,637,000                            |                               |
| Pine Point Mines Limited .....                    |                                     |                                |                                       |                               |
| Thompson-Lundmark Gold Mines Limited .....        | 600,000                             | 12.0                           | 234,000                               |                               |
| United Keno Hill Mines Limited .....              | 1,195,989                           | 48.4                           | 3,038,000                             |                               |
| Ventron Corporation .....                         | 162,538                             | 42.1                           | 3,335,000                             |                               |
| Miscellaneous shareholdings .....                 |                                     |                                | 525,000                               |                               |
|   |                                     |                                | <u>50,668,000</u>                     | <u>534,000</u>                |
| Total .....                                       |                                     |                                | <u>\$170,610,000</u>                  | <u>\$4,059,000</u>            |



# SUBSIDIARY AND OTHER COMPANIES AS AT DECEMBER 31, 1966

(figures as at December 31, 1965)

| 1 9 6 5                             |                                |                                       |                               |
|-------------------------------------|--------------------------------|---------------------------------------|-------------------------------|
| S H A R E S                         |                                |                                       |                               |
| Number of<br>shares or<br>par value | % of<br>outstanding<br>capital | Indicated<br>market value<br>(note A) | Advances<br>and<br>debentures |
| 386,000                             | 53.9                           | \$ 96,000                             |                               |
| 3,913,871                           | 51.5                           | 16,047,000                            |                               |
| 2,131,375                           | 58.4                           | 277,000                               |                               |
| 263,004                             | 55.2                           | 2,104,000                             |                               |
| 500                                 | 58.8                           |                                       |                               |
| 10,000                              | 58.8                           |                                       |                               |
| U.S. \$1,008,506                    |                                |                                       | \$1,084,000                   |
| \$ 27,500                           |                                |                                       | 28,000                        |
| 1,988,638                           | 58.5                           | 259,000                               |                               |
| 612,418                             | 71.5                           | 4,746,000                             |                               |
| 2,425,643                           | 100.0                          |                                       |                               |
| 3,331,203                           | 68.3                           | 3,698,000                             |                               |
| \$ 250,000                          |                                |                                       | 215,000                       |
| 2,938,327                           | 75.8                           | 37,096,000                            |                               |
| 2,111,630                           | 51.1                           | 27,715,000                            |                               |
| \$3,114,022                         |                                |                                       | 3,114,000                     |
| 963,854                             | 61.0                           | 15,904,000                            |                               |
| 735,494                             | 61.3                           | 221,000                               |                               |
| 4,436,196                           | 59.1                           | 21,205,000                            |                               |
| 625,136                             | 61.8                           | 1,407,000                             |                               |
| \$1,500,000                         |                                |                                       | 1,500,000                     |
| U.S. \$ 450,000                     |                                |                                       | 300,000                       |
|                                     |                                | 151,000                               | 171,000                       |
|                                     |                                | <u>130,926,000</u>                    | <u>6,412,000</u>              |
| 1,198,230                           | 36.7                           | 791,000                               |                               |
| 370,500                             | 7.5                            | 530,000                               |                               |
| \$ 389,136                          |                                |                                       | 389,000                       |
| \$ 145,200                          |                                |                                       | 145,000                       |
| 911,978                             | 45.6                           | 319,000                               |                               |
| 1,080,809                           | 25.1                           | 13,780,000                            |                               |
| 1,128,800                           | 22.0                           | 310,000                               |                               |
| 1,500,000                           | 50.0                           |                                       |                               |
| 175,825                             | 7.4                            | 15,824,000                            |                               |
| 1,993,236                           | 36.1                           | 17,441,000                            |                               |
| 46,121                              | 1.2                            | 3,367,000                             |                               |
| 600,000                             | 12.0                           | 240,000                               |                               |
| 1,195,989                           | 48.4                           | 5,262,000                             |                               |
| 162,538                             | 44.8                           | 2,970,000                             |                               |
|                                     |                                | 713,000                               |                               |
|                                     |                                | <u>61,547,000</u>                     | <u>534,000</u>                |
|                                     |                                | <u>\$192,473,000</u>                  | <u>\$6,946,000</u>            |

## NOTES

A. The market values shown are based on closing market prices at December 31, 1966, and December 31, 1965. Because of the number of shares involved and the fact that in certain instances the securities listed herein represent control of the companies concerned, the amounts that would be realized if these securities were to be sold may be considerably more or less than their indicated market value.

B. As the preferred shares of Kiena Gold Mines Limited and the shares of Empire Ventures Limited and Marbridge Mines Limited are not traded, market values are not available.

C. The shares of Dunraine Mines Limited at December 31, 1966, and the shares of Horne Fault Mines Limited and preferred shares of Kiena Gold Mines Limited at December 31, 1965, include shares that Falconbridge was entitled to receive as at those respective dates under agreements with such companies which provided for the issuance of shares to Falconbridge as consideration for any exploration work carried out by Falconbridge on the properties of such companies.

D. Zeballos Iron Mines Limited is a subsidiary of Empire Ventures Limited.

## COMMENTS ON CONSOLIDATED WHOLLY-OWNED SUBSIDIARY COMPANIES NOT ENGAGED IN NICKEL OPERATIONS

### ANYOX METALS LIMITED

The company's iron ore properties located on the west coast of Vancouver Island are under lease to Zeballos Iron Mines Limited. Production in 1966 was maintained at approximately the same level as in the preceding year. Anyox received royalty income in 1966 covering 289,757 dry metric tons of iron concentrate shipped.

#### Financial

|                                  | Year ended December 31 |            |
|----------------------------------|------------------------|------------|
|                                  | 1966                   | 1965       |
| Royalty income .....             | \$ 265,000             | \$ 268,000 |
| Earnings after all charges ..... | 261,000                | 261,000    |

A three-year tax exemption granted the company on its royalty income will expire July 1, 1967.

#### Management

|                                    |                              |
|------------------------------------|------------------------------|
| President                          | P. N. Pitcher, Toronto       |
| Vice-President and General Manager | W. J. Tough, Vancouver, B.C. |

### FAHRALLOY CANADA LIMITED

The Company again had a record year for production and profits with earnings of \$582,000 compared to \$459,000 in 1965.

The new plant for the production of shell-moulded and centrifugal castings was nearly completed by the year-end and should be in full production by March, 1967.

At the year-end, the company entered a joint venture agreement with Wisconsin Centrifugal Inc. to form a new company, Fahrallloy-Wisconsin Limited. The latter is taking over the centrifugal casting facilities of the company and will augment them with vertical centrifugal casting machine shop and bronze foundry facilities.

#### Financial

|                                  | Year ended December 31 |            |
|----------------------------------|------------------------|------------|
|                                  | 1966                   | 1965       |
| Earnings after all charges ..... | \$ 582,000             | \$ 459,000 |
| Working capital .....            | 800,000                | 2,177,000  |

#### Management

|                                 |                                 |
|---------------------------------|---------------------------------|
| President and Managing Director | T. G. Beament, Orillia, Ontario |
| Executive Vice-President        | J. A. Wilson, Orillia, Ontario  |

### WESFROB MINES LIMITED

Preparation for production of the company's iron-copper property in the Queen Charlotte Islands continued throughout the year. Progress on the construction program was not as rapid as expected for a number of reasons. There were repeated delays in the completion of engineering drawings by the design engineers. There has been a shortage of skilled labour throughout British Columbia, and a six-week strike of carpenters during the best summer construction season was a serious setback to the construction program. On January 1, the British Columbia government banned all overtime work in the province. Contractors working on the Wesfrob project were unable to recruit an adequate supply of skilled labour under these new terms and this caused a further delay in the construction schedule. Fortunately this ban was later rescinded with respect to remote projects.



It is now expected that plant operations will commence in April 1967. All of the production of iron and copper concentrates is under contract to Mitsubishi Shoji Kaisha of Japan, with the first shipment to be made in June of this year.

Expenditures made during 1966 amounted to \$22,655,000 bringing the total expenditures on the construction program to date to \$38,019,000. Total pre-production costs are now estimated at \$40,000,000. The increased cost of the project is due to initial underestimation of construction costs in this remote locality, the delays in the construction program due to labour problems, and the unexpectedly sharp escalation in construction costs throughout Canada and particularly in British Columbia.

### Management

|                |  |
|----------------|--|
| President      | P. N. Pitcher, Toronto                             |
| Vice-President | W. J. Tough, Vancouver, B.C.                       |
| Mine Manager   | F. A. Godfrey, Tasu, Queen Charlotte Islands, B.C. |

*Below:* New community of Tasu provides ideal living conditions for employees' families — with modern school, shopping centre, hotel, houses, apartments, church and recreational facilities. *Right:* Colourful ceremony marked launching of "Wesbridge" twin tugs which will help to berth large ore carriers arriving from Japan.



Tasu project — Starting from extreme left are shown the crushing and cobbing plant, the fine ore bin and the concentrator. Dominating the foreground is the thickener, with a diameter of 200 feet. Dock construction is visible beyond.

## COMMENTS ON THE MORE IMPORTANT UNCONSOLIDATED SUBSIDIARY AND ASSOCIATED COMPANIES

### ACTON LIMESTONE QUARRIES LIMITED

The company's annual sales again exceeded those of the previous year. This improvement, however, has not had a significant effect on the company's financial position which, because of a heavy debt burden, continues to be unsatisfactory.

During the year, Falconbridge purchased 97% of the company's outstanding 6½% First Mortgage Sinking Fund Bonds. The interest payment on these bonds which was due on November 15, 1966 was not paid and this default was subsequently waived by the bondholders. Studies are being carried out on various proposals for a satisfactory rearrangement of the company's financial structure.

|   |  | As at December 31, 1966   |                      |       |
|---|--|---------------------------|----------------------|-------|
|   |  | Outstanding               | Held by Falconbridge |       |
| <b>Capitalization</b>                                       |  |                           |                      |       |
| Common shares .....   |  | 716,000                   | 386,000              | 53.9% |
| <b>Debt</b>   |  |                           |                      |       |
| 6½% First Mortgage Sinking Fund Bonds due May 15, 1982 .... |  | \$2,259,000               | \$2,200,000          | 97.4% |
| Bank loan .....   |  | 1,389,000                 |                      |       |
| <b>Financial</b>  |  | Year ended December 31    |                      |       |
|   |  | 1966                      | 1965                 |       |
| Profit before interest, depreciation and depletion .....    |  | \$ 443,000                | \$ 274,000           |       |
| Depreciation and depletion .....                            |  | 380,000                   | 380,000              |       |
| Interest .....  |  | 152,000                   | 237,000              |       |
| Net loss for the year after all charges .....               |  | 89,000                    | 343,000              |       |
| <b>Falconbridge interest in</b>                             |  | Per share of Falconbridge |                      |       |
| Loss for the year .....                                     |  | \$48,000                  | \$ .01               |       |

### Management

|                 |                          |
|-----------------|--------------------------|
| President       | F. G. Gardiner, Toronto  |
| Vice-President  | J. J. Mather, Toronto    |
| General Manager | G. E. Armstrong, Toronto |

Acton Limestone Quarries Limited — General view of plant and quarry at Acton, Ontario.





## ALMINEX LIMITED

Production and financial results in 1966 reflected only minor changes from the previous year. Production of crude oil showed a modest increase, while production of natural gas liquids remained at approximately the same level. Gas sales decreased slightly. Cash profit and net earnings were slightly lower than in 1965, and the bank loan at \$2.4 million was the same as the previous year. Dividend payments amounted to 10¢ in 1966 as against 12¢ in 1965.

Reserves of crude oil, natural gas liquids and natural gas remained at approximately constant levels after providing for the year's production.

During 1966, Alminex participated in active exploration programs on land holdings in Western Canada, in Ontario and on three license areas in the British sector of the North Sea. In northwestern Alberta, the company has interests varying from 25% to 50% in 8 petroleum and natural gas reservations covering 575,000 acres. These lands lie within an area which is now being intensively explored for oil pools similar to those found in the Rainbow Lake fields. Alminex has entered into an agreement with Falconbridge, whereby Falconbridge can earn a 50% interest in Alminex (U.K.) Limited, a wholly-owned subsidiary which holds Alminex's 25% interest in the North Sea licenses.

Future production and earnings of Alminex are expected to increase but may be adversely affected by the substantial share of the Alberta crude oil allowables which must be allocated to the newly discovered fields in northwestern Alberta. However, it is hoped that the impact of the prolific new fields will be partly offset by increasing sales.

|  | As at December 31, 1966      |                      |                        |
|--|------------------------------|----------------------|------------------------|
|  | Outstanding                  | Held by Falconbridge |                        |
| <b>Capitalization</b>  |                              |                      |                        |
| Common shares .....  | 7,599,161                    | 3,913,871            | 51.5%                  |
| <b>Debt</b>  |                              |                      |                        |
| Outstanding loans December 31, 1966 .....  | \$2,426,000                  |                      |                        |
| <b>Production</b>  | 1966                         | 1965                 | Increase<br>(Decrease) |
| Oil and condensate (barrels per day) .....   | 3,199                        | 3,025                | 6%                     |
| Gas (millions cubic feet per day) .....  | 14,047                       | 14,523               | (3%)                   |
| <b>Reserves</b>  | As at December 31            |                      |                        |
|  | 1966                         | 1965                 |                        |
| Crude oil and natural gas liquids (barrels) .....                                      | 53,090,000                   | 52,460,000           |                        |
| Natural gas (billions of cubic feet) .....   | 157.63                       | 158.06               |                        |
| Sulphur (long tons) .....  | 309,000                      | 487,000              |                        |
| <b>Financial</b>   | Year ended December 31       |                      |                        |
|  | 1966                         | 1965                 |                        |
| Net production income after royalties and operating expenses ..                        | \$3,332,000                  | \$3,238,000          |                        |
| Profit before write-offs for depreciation,<br>depletion and property surrendered ..... | 2,295,000                    | 2,359,000            |                        |
| Earnings after all charges .....   | 1,223,000                    | 1,385,000            |                        |
| Dividends paid — 10¢ in 1966, 12¢ in 1965 .....  | 760,000                      | 912,000              |                        |
| <b>Falconbridge Interest in</b>  | Per share of<br>Falconbridge |                      |                        |
| Earnings after all charges .....   | \$ 630,000                   | \$ .13               |                        |
| Dividends paid .....   | 391,000                      | .08                  |                        |
| Excess of earnings over dividends .....  | <u>\$ 239,000</u>            | <u>\$ .05</u>        |                        |

## Management

President F. R. Burton, Toronto  
Vice-President and General Manager J. B. Webb, Calgary, Alberta



## DOMINION MAGNESIUM LIMITED

Consolidated net earnings were \$169,000, an increase of \$20,000 over the previous year. This improvement was achieved despite a strike resulting in a four-month shut-down of all magnesium production operations which, in turn, caused a 21 per cent reduction in company sales.

The increased earnings reflected slightly improved prices for some of the company's products, lower operating costs at the Beauharnois ferro-silicon smelter, and a 28 per cent increase in sales of the subsidiary company, Aerometals Limited (formerly Aerometal Products and Design Limited). The increase in Aerometals' sales resulted mainly from larger orders for luggage frames, but by year-end this business had dropped drastically due to a customer fabricating its own requirements.

Dividends of 25¢ per share were paid in 1966, the same as in the previous year.

| Capitalization      | As at December 31, 1966 |                      |
|---------------------|-------------------------|----------------------|
|                     | Outstanding             | Held by Falconbridge |
| Common shares ..... | 476,270                 | 263,004 55.2%        |

| Shipments                | Year ended December 31 |            |
|--------------------------|------------------------|------------|
|                          | 1966                   | 1965       |
| Magnesium — pounds ..... | 15,111,000             | 22,308,000 |
| Calcium — pounds .....   | 249,000                | 158,000    |
| Thorium — pounds .....   | 1,300                  | 6,500      |
| Titanium — pounds .....  | 9,000                  | 18,000     |
| Dolomite — tons .....    | 18,000                 | 27,000     |

| Financial                                |             |             |
|--|-------------|-------------|
|  | 1966        | 1965        |
| Net sales .....                          | \$5,877,000 | \$7,443,000 |
| Profit before depreciation .....         | 532,000     | 509,000     |
| Earnings after all charges .....         | 169,000     | 149,000     |
| Dividend paid 25¢ in 1966 and 1965 ..... | 119,000     | 119,000     |
| Working capital .....                    | 3,103,000   | 2,883,000   |

| Falconbridge interest in                | Per share of Falconbridge |               |
|---|---------------------------|---------------|
|   | 1966                      | 1965          |
| Earnings after all charges .....        | \$93,000                  | \$ .02        |
| Dividends paid .....                    | 66,000                    | .01           |
| Excess of earnings over dividends ..... | <u>\$27,000</u>           | <u>\$ .01</u> |

## Management

|                                    |                               |
|------------------------------------|-------------------------------|
| Vice-President and General Manager | J. Thomson, Toronto           |
| Plant Manager                      | D. J. McPhail, Haley, Ontario |
| Plant Manager (Aerometals Limited) | W. Z. Jarmicki, Toronto       |

Operations of Dominion Magnesium Limited at Haley, Ontario.



## GIANT YELLOWKNIFE MINES LIMITED

The company experienced a second consecutive year of difficult operations at its property in the Northwest Territories. Net earnings for the year of \$2,100,000 were \$1,511,000 below the 1965 results. Labour supply continued to be a serious problem but a drop in the grade of mill feed, which began in 1965 and declined further in 1966, was the major factor in the decreased earnings. This trend to lower grade ore results primarily from the smaller number of high-grade stopes to be mined; and with ore also being drawn from many small, irregular stopes, more dilution is being experienced. Ore reserves at year-end were calculated at 2,133,900 tons grading .68 ozs. gold per ton, down from 2,370,000 tons grading .70 ozs. as at December 31, 1965. It is now anticipated that the ore reserves will continue to decline unless major discoveries are made.

Dividends paid for 1966 totalled 60¢ per share; however, as a result of the decrease in earnings, a small portion of these payments was made out of retained earnings. Working capital, down by \$963,000, still remains strong at \$6,264,000.

Exploration and development work continued, from Giant underground workings, on the properties of both Supercrest Mines Limited and Lolor Mines Limited. Production at both of these properties is planned to begin in 1967. Milling of this new production, which will be carried out in the Giant treatment plant, should be considered as replacement ore, however, and not additional to the present milling rate.

During the year, Giant and Falconbridge transferred to Northbelt Yellowknife Mines Limited, all of their respective properties lying to the north of the Giant mine. These properties, together with the land already held by Northbelt, extend some 9 miles in length and consist of 117 claims. Giant has an option to expend in excess of \$400,000 in exploring these properties in return for additional shares of the Northbelt company. Giant also carried on joint exploration with Falconbridge Nickel Mines Limited on claims in the Pine Point area and undertook directly other off-property exploration projects.

|  |                                      |                         |                                     |
|--|--------------------------------------|-------------------------|-------------------------------------|
|  |                                      | As at December 31, 1966 |                                     |
| <b>Capitalization</b>                              |                                      | <u>Outstanding</u>      | <u>Held by Falconbridge</u>         |
| Common shares .....                                |                                      | 4,303,050               | 1,080,809 25.1%                     |
|  |                                      |                         |                                     |
|  |                                      | Year ended December 31  |                                     |
| <b>Production</b>                                  |                                      | <u>1966</u>             | <u>1965</u>                         |
| Tons milled .....                                  |                                      | 384,000                 | 395,000                             |
| Gold ounces produced .....                         |                                      | 225,000                 | 255,000                             |
|  |                                      |                         |                                     |
| <b>Financial</b>                                   |                                      |                         |                                     |
| Net value of metals produced .....                 |                                      | \$8,517,000             | \$9,565,000                         |
| Profit before depreciation .....                   |                                      | 2,408,000               | 3,899,000                           |
| Earnings after all charges .....                   |                                      | 2,100,000               | 3,611,000                           |
| Dividends paid — 60¢ in 1966, \$1.00 in 1965 ..... |                                      | 2,582,000               | 4,303,000                           |
| Working capital .....                              |                                      | 6,264,000               | 7,227,000                           |
|  |                                      |                         |                                     |
| <b>Falconbridge interest in</b>                    |                                      |                         | Per share of<br><u>Falconbridge</u> |
| Earnings after all charges .....                   |                                      | \$ 527,000              | <u>\$. 11</u>                       |
| Dividends paid .....                               |                                      | 648,000                 | <u>.13</u>                          |
| Excess of dividends over earnings .....            |                                      | <u>\$ (121,000)</u>     | <u>(\$ .02)</u>                     |
|  |                                      |                         |                                     |
| <b>Management</b>                                  |                                      |                         |                                     |
| Vice-President and Managing Director               | P. N. Pitcher, Toronto               |                         |                                     |
| General Manager                                    | D. R. DeLaporte, Yellowknife, N.W.T. |                         |                                     |
| Mine Manager                                       | W. A. Case, Yellowknife, N.W.T.      |                         |                                     |



## INDUSTRIAL MINERALS OF CANADA LIMITED

1966 was another significant year in the company's history. Earnings increased substantially, reflecting in part the benefits of the 1965 merger with Canadian Silica Corporation Limited and the consolidation of Industrial's wholly-owned subsidiary, Indusmin. Net profit for the year at \$688,000 was equivalent to 80¢ per share. Dividend payments during the year totalled 55¢, while working capital increased from \$1,718,000 at the beginning of the year to \$2,248,000 at December 31, 1966.

During the year, the company's laboratory facilities were transferred to Toronto from Columbus, Ohio. This has resulted in a consolidation of research activities and an intensified program of product development in a quest for new markets for its production.

Approximately 100 mining claims were acquired during the year in the North Georgian Bay region. This property, which contains a large silica deposit, has been under geological investigation and could enable the company to develop sales in the expanding Ontario market.

In December, 1966, a \$500,000 plant expansion program was announced for the Nephton operations, designed to increase annual production capacity by 70,000 tons.

In early February, 1967, the company purchased all of the properties and operating assets of Simsil Mines Limited, which operated a silica business in the Montreal area. This acquisition has increased the product range of Industrial Minerals and is expected to provide broader market opportunities.

| Capitalization      | As at December 31, 1966 |                      |       |
|---------------------|-------------------------|----------------------|-------|
|                     | Outstanding             | Held by Falconbridge |       |
| Common shares ..... | 856,855                 | 612,419              | 71.5% |

| Financial   | Year ended December 31 |             |
|---|------------------------|-------------|
|   | 1966                   | 1965        |
| Sales of all products .....                       | \$4,448,000            | \$3,798,000 |
| Profit before depreciation and amortization ..... | 1,412,000              | 1,165,000   |
| Earnings after all charges .....                  | 688,000                | 484,000     |
| Dividends paid — 55¢ in 1966, 50¢ in 1965 .....   | 471,000                | 421,000     |
| Working capital .....                             | 2,248,000              | 1,718,000   |

| Falconbridge interest in                | Per share of Falconbridge |               |
|---|---------------------------|---------------|
|   |                           |               |
| Earnings after all charges .....        | \$ 492,000                | \$ .10        |
| Dividends paid .....                    | 337,000                   | .07           |
| Excess of earnings over dividends ..... | <u>\$ 155,000</u>         | <u>\$ .03</u> |

## Management

|  |                                  |
|--|----------------------------------|
| Executive Vice-President and Managing Director | J. J. Mather, Toronto            |
| General Manager — Production Operations        | D. C. McDonald, Nephton, Ontario |

## LAKE DUFAULT MINES LIMITED

The company had another outstanding record of performance in 1966, its second full year of operations. While copper production was down, zinc production showed a substantial increase. As a result, the higher tonnage treated, together with the satisfactory prices received, increased the net value of metals produced by \$3,581,000 over 1965.

Net earnings for the year amounted to \$18,858,000. No income taxes were payable as the mine is in its three-year, tax-free period until September 30, 1967. Mining taxes for the year, however, amounted to \$2,850,000, more than double the \$1,320,000 applicable to 1965, reflecting the higher rates for the Quebec Mining Tax which became effective January 1, 1966, and the increase in profits.

Dividends distributed to shareholders in 1966 totalled \$4.00 per share while working capital increased by \$3,564,000 to \$13,121,000 at year-end. Ore reserves declined by 450,200 tons, almost equalling the tonnage treated during the year. Ore reserves at year-end were estimated at 1,264,300 tons averaging 2.9% copper, 5.8% zinc, 1.7 ounces silver per ton and 0.02 ounces gold per ton.

Exploration and development expenditures of \$865,000 were up \$302,000 over 1965. Surface exploration drilling was increased to 120,000 feet during the year and resulted in some interesting copper-zinc intersections at a depth of 2,700 feet in the Dupresnoy section of the property. Further detailed investigation of this area is being carried out as rapidly as possible, while exploration diamond drilling is continuing in other sections of the property. The substantial earnings level of the company cannot be expected to continue beyond 1967, unless major ore discoveries result from the current drilling programs.

| Capitalization      | As at December 31, 1966 |                      |       |
|---------------------|-------------------------|----------------------|-------|
|                     | Outstanding             | Held by Falconbridge |       |
| Common shares ..... | 4,134,750               | 2,111,630            | 51.1% |

| Production                   | Year ended December 31 |            |
|------------------------------|------------------------|------------|
|                              | 1966                   | 1965       |
| Tons ore milled .....        | 489,000                | 475,000    |
| Pounds copper produced ..... | 45,303,000             | 53,152,000 |
| Pounds zinc produced .....   | 75,606,000             | 60,290,000 |

| Financial   |              |              |
|---|--------------|--------------|
| Net value of metals produced .....                    | \$26,303,000 | \$22,722,000 |
| Profit before amortization and depreciation .....     | 21,027,000   | 19,059,000   |
| Earnings after all charges .....                      | 18,858,000   | 16,935,000   |
| Dividends paid — \$4.00 in 1966, \$1.75 in 1965 ..... | 16,539,000   | 7,236,000    |
| Working capital .....                                 | 13,121,000   | 9,557,000    |

| Falconbridge interest in                |                     | Per share of<br>Falconbridge |
|---|---------------------|------------------------------|
| Earnings after all charges .....        | \$ 9,631,000        | \$1.97                       |
| Dividends paid .....                    | 8,447,000           | 1.73                         |
| Excess of earnings over dividends ..... | <u>\$ 1,184,000</u> | <u>\$0.24</u>                |

## Management

|              |                           |
|--------------|---------------------------|
| President    | J. P. Millenbach, Toronto |
| Mine Manager | J. R. Smith, Noranda      |



## KILEMBE COPPER COBALT LTD.

During the first half of 1966, copper mining operations of the subsidiary company, Kilembe Mines Limited in Uganda, were beset by a wide variety of problems including earth tremors, floods and a period of political disturbances in the country. A rescheduling of mining practices also adversely affected production. By late summer, however, operations had returned to normal. Following two months of relatively stable operations thereafter, copper production again decreased in November and December. This reduced output was due chiefly to the mining of a lower grade of ore, a condition that is expected to continue into the first quarter of 1967.

Earnings for the year at 89¢ per share were down from \$1.87 per share in 1965. The drop in earnings reflected not only the problems cited above, but also increased costs of labour, supplies, and ocean transportation, and the effect of sales made under fixed-price contracts. Such contracts appeared to be favourable at the time they were negotiated but they proved to be substantially below the LME prices prevailing when the contracts were filled.

Dividend payments during the year totalled \$1.05 per share as against \$1.20 for the year 1965. Working capital at \$2,585,000 although down some \$650,000 from the figure at the end of the previous year, still reflects a strong position.

Underground development work during 1966 was much more encouraging than for the past several years. It is hoped that these favourable results will continue and add substantial tonnage to future ore reserves.



Checking copper shipment at Kilembe Mines Limited, Uganda.

### Capitalization

Common shares .....

| As at December 31, 1966 |                      |       |
|-------------------------|----------------------|-------|
| Outstanding             | Held by Falconbridge |       |
| 3,877,027               | 2,820,827            | 72.8% |

### Production

Tons milled .....  
Blister copper produced — long ton .....

| Year ended December 31 |           |
|------------------------|-----------|
| 1966                   | 1965      |
| 1,027,000              | 1,029,000 |
| 16,000                 | 17,000    |

### Financial (Consolidated)

Net value of metals produced .....  
Profit before amortization and depreciation .....  
Profit before minority interest .....  
Earnings after all charges and minority interests .....  
Dividends paid — \$1.05 in 1966, \$1.20 in 1965 .....  
Working capital .....

|              |              |
|--------------|--------------|
| \$19,588,000 | \$25,079,000 |
| 8,074,000    | 13,413,000   |
| 4,883,000    | 10,465,000   |
| 3,435,000    | 7,251,000    |
| 4,071,000    | 4,652,000    |
| 2,585,000    | 3,235,000    |

### Falconbridge interest in

Earnings after all charges .....  
Dividends paid .....  
Excess of dividends over earnings .....

| Per share of Falconbridge |          |
|---------------------------|----------|
| \$ 2,500,000              | \$ .51   |
| 2,970,000                 | .61      |
| \$ (470,000)              | \$ (.10) |

### Management

Kilembe Copper Cobalt Ltd.  
President

G. T. N. Woodrooffe, Toronto

Kilembe Mines Limited

Chairman and Managing Director

A. E. Pugsley, Kilembe, Uganda

## LA LUZ MINES LIMITED

The company recorded consolidated net earnings of U.S. \$7,883,000 in the fiscal year ended September 30, 1966. This is equivalent to Can. \$5.36 per share, and represents an increase of \$1,750,000 over the 1965 results. A higher price received for copper produced by wholly-owned Rosita Mines Limited was the chief contributing factor in the improvement.

The tonnage of ore treated by Rosita was slightly higher than in 1965, but the grade of ore was somewhat lower, with the result that the pounds of copper produced decreased approximately 7%. Gold mining operations at La Luz continue to be marginal at present gold prices, and there was no new ore discovered during the year on the La Luz properties. Ore reserves at the Rosita Mine were reduced by 260,850 tons after treatment of 311,377 tons during the year. At September 30th, calculated reserves amounted to 1,274,000 tons averaging 3.74% copper, and at the present milling rate this is sufficient for four years' operations.

Dividends distributed during fiscal 1966 totalled \$4.50 per share in Canadian funds, up \$1.25 per share over the corresponding period of 1965. Following the 1966 fiscal year-end, a dividend of \$3.00 per share, Canadian funds, was paid in December. With this payment, dividends in the calendar year 1966 totalled \$6.00 Canadian per share. Working capital of \$8,520,000 at September 30, 1966 was up \$2,000,000 over the 1965 position, but was reduced to approximately \$5,000,000 after the December dividend payment.



Diamond drilling at La Luz Mines Limited property in Nicaragua.

### Capitalization

Common shares .....

| As at December 31, 1966 |                      |       |
|-------------------------|----------------------|-------|
| Outstanding             | Held by Falconbridge |       |
| 1,580,759               | 920,794              | 58.3% |

### Production

#### La Luz

Tons gold ore milled .....  
Ounces gold produced .....  
Pounds copper produced .....

Year ended September 30  
1966 1965

661,000 676,000  
58,000 56,000  
661,000 306,000

#### Rosita

Tons copper ore milled .....  
Pounds copper produced .....

311,000 285,000  
20,199,000 21,819,000

### Financial — Consolidated

Net value of metals produced .....  
Earnings before amortization and depreciation .....  
Earnings after all charges .....  
Dividends paid — (Can. \$4.50 in 1966, Can. \$3.25 in 1965) .....  
Working capital .....

(in U.S. funds)  
\$14,663,000 \$12,543,000  
8,723,000 7,002,000  
7,883,000 6,134,000  
6,610,000 4,779,000  
8,520,000 6,520,000

### Falconbridge interest in

Earnings after all charges .....  
Dividends paid .....  
Excess of earnings over dividends .....

Per share of  
Falconbridge  
\$ 4,592,000 Can. \$1.01  
3,850,000 .79  
\$ 742,000 Can. \$ .22

### Management

President H. S. McGowan, Nassau, Bahamas  
Manager, La Luz Mine J. Plecash, Siuna, Nicaragua  
Manager, Rosita Mine C. L. Spencer, Siuna, Nicaragua



## MARBRIDGE MINES LIMITED

Although the quantity of ore treated increased by only 3,200 tons to 128,500 tons, the grade was higher at 3.22% nickel. A total of 7,181,000 pounds of nickel in concentrates was produced and sold compared with 4,735,000 pounds in 1965. This practically exhausted the ore in the Number 1 Mine above the 1350-foot level and severely depleted the ore above the 600 level in the Number 2 Mine.

At year-end, ore reserves developed and indicated totalled 145,200 tons grading 1.83% nickel. Unless exploration work develops substantial quantities of new ore, operations are not expected to continue beyond mid-1968.

|   | As at December 31, 1966          |                           |
|---|----------------------------------|---------------------------|
|   | Outstanding                      | Held by Falconbridge      |
| <b>Capitalization</b>                   |                                  |                           |
| Common shares .....                     | 3,000,000                        | 1,500,000 50%             |
|   | Year ended December 31           |                           |
|   | 1966                             | 1965                      |
| <b>Production</b>                       |                                  |                           |
| Tons milled .....                       | 129,000                          | 125,000                   |
| Pounds nickel in concentrates .....     | 7,181,000                        | 4,735,000                 |
| <b>Financial</b>                        |                                  |                           |
| Net value of metals produced .....      | \$4,886,000                      | \$2,988,000               |
| Earnings after all charges .....        | 1,607,000                        | 1,189,000                 |
| Dividends paid .....                    | 1,455,000                        | 1,020,000                 |
| Working capital .....                   | 1,933,000                        | 1,555,000                 |
| <b>Falconbridge interest in</b>         |                                  | Per share of Falconbridge |
| Net earnings after all charges .....    | \$ 803,000                       | \$ .16                    |
| Dividends paid .....                    | 727,000                          | .15                       |
| Excess of earnings over dividends ..... | <u>\$ 76,000</u>                 | <u>\$ .01</u>             |
| <b>Management</b>                       |                                  |                           |
| President                               | R. C. Mott, Toronto              |                           |
| Mine Manager                            | R. C. Staveley, Malartic, Quebec |                           |

## NEW QUEBEC RAGLAN MINES LIMITED

Expenditures during 1966 on the company's extensive property holdings in the Ungava area of the Province of Quebec totalled \$3,000,000. Of this amount, Falconbridge spent \$2,100,000, thereby completing the commitment made when its property interests were merged with those of Raglan in December, 1965. The balance of the expenditures, \$900,000, was made by the wholly-owned subsidiary, Raglan Quebec Mines Limited.

Consolidated working capital, including marketable securities taken at market value, amounted to \$2,600,000 at December 31, 1966. A total of 54,538 feet was drilled in 71 holes during the year at a cost of some \$665,000. The balance of the expenditures covered transportation and shipping, camp operation, equipment, supplies inventory and Montreal office overhead. Included in the equipment and supply expenditures are items valued in excess of \$1,000,000 which will be utilized in the 1967 and 1968 work programs. No satisfactory calculation of proven ore reserves can yet be made.

|                              | As at December 31, 1966       |                      |
|------------------------------|-------------------------------|----------------------|
|                              | Outstanding                   | Held by Falconbridge |
| <b>Capitalization</b>        |                               |                      |
| Common shares .....          | 7,500,000                     | 4,436,196 59.1%      |
| <b>Management</b>            |                               |                      |
| President                    | H. J. Fraser, Toronto         |                      |
| Falconbridge Project Manager | A. D. Mutch, Montreal, Quebec |                      |

## OPEMISKA COPPER MINES (QUEBEC) LIMITED

The company recorded its most successful year of operations to date. Tonnage treated, grade of ore milled and recovery all showed an improvement over 1965, while copper production rose by more than 4,000,000 pounds. These results, coupled with higher prices received for copper, combined to produce a net profit of \$1.13 per share in 1966, the first year in which earnings have exceeded the \$1.00 per share level.

Dividend disbursements during the year totalled 95¢ per share as against 75¢ per share in 1965. Taxes increased due to the higher profit level and the higher rates for the Quebec Mining Tax which became effective January 1, 1966. Working capital at December 31, 1966 at \$9,131,000 reflects an increase of \$751,000 over the 1965 year-end figure.

The company's satisfactory results were achieved despite higher operating expenses and substantially higher exploration and development expenditures, reflecting expanded programs. A shaft-sinking program was well under way at the year-end, consisting of a new 1,400-foot shaft at the Robitaille mine near the east central part of the property, and deepening of the Perry shaft to a depth of 1,300 feet below the 2000-foot level. Ore reserves improved slightly and at year-end amounted to 5,856,800 tons averaging 3.08% copper, an increase of 91,300 tons in the year.

An active exploration program is being maintained both on and off the mine property. During the year the company optioned three properties totalling 53 claims and staked five properties covering 115 claims. Work on these holdings will continue throughout 1967.

| Capitalization      | As at December 31, 1966 |                      |       |
|---------------------|-------------------------|----------------------|-------|
|                     | Outstanding             | Held by Falconbridge |       |
| Common shares ..... | 5,515,000               | 1,993,236            | 36.1% |

| Production                   | Year ended December 31 |            |
|------------------------------|------------------------|------------|
|                              | 1966                   | 1965       |
| Tons ore milled .....        | 766,000                | 746,000    |
| Pounds copper produced ..... | 44,649,000             | 40,489,000 |
| Ounces gold produced .....   | 16,000                 | 17,000     |
| Ounces silver produced ..... | 282,000                | 281,000    |

| Financial   |             |              |
|---|-------------|--------------|
| Net value of metals produced .....                | \$18,916,00 | \$13,400,000 |
| Profit before amortization and depreciation ..... | 7,362,000   | 5,115,000    |
| Earnings after all charges .....                  | 6,259,000   | 4,386,000    |
| Dividends paid — 95¢ in 1966, 75¢ in 1965 .....   | 5,239,000   | 4,136,000    |
| Working capital .....                             | 9,131,000   | 8,380,000    |

| Falconbridge interest in                | Per share of Falconbridge |               |
|---|---------------------------|---------------|
|   |                           |               |
| Earnings after all charges .....        | \$ 2,263,000              | \$ .46        |
| Dividends paid .....                    | 1,894,000                 | .39           |
| Excess of earnings over dividends ..... | <u>\$ 369,000</u>         | <u>\$ .07</u> |

### Management

|                 |                              |
|-----------------|------------------------------|
| President       | J. P. Millenbach, Toronto    |
| General Manager | H. C. Herz, Toronto          |
| Mine Manager    | F. G. Cooke, Chapais, Quebec |



## VENTRON CORPORATION

The past year 1966 marked the fourth year of a planned expansion and diversification program. Net profit of \$436,000 or \$1.15 per share was up from \$368,000, equivalent to \$1.02 per share in 1965. Dividend payments totalled 40¢ per share in 1966 as compared with 20¢ per share for the year 1965. Working capital in 1966 increased \$420,000.

A new subsidiary, Magnion Inc. (scientific and electronic equipment) was acquired late in the year. Although reporting a loss in 1966, this company (98% owned by Ventron Corporation) is expected to add to overall Ventron profits in 1967. Ventron's chief operation, the Metal Hydrides division, has plants at both Beverly and Danvers, Massachusetts. Other interests acquired during the past four years are:

Allegheny Electronic Chemicals Company, Bradford, Pennsylvania (wholly-owned); produces and markets semiconductor materials. This company in turn has a wholly-owned subsidiary, Ventron Electronics Company producing remote-control systems for the operation of cranes and other heavy equipment.

Alfa Inorganics, Inc. (50% owned); operates in Ventron facilities at Beverly. It is engaged in marketing inorganic and organometallic research chemicals and maintaining limited manufacturing facilities for the production of materials related to these products. Aldrich Chemical Company owns a half interest in the company.

Strem Chemicals, Inc. (50% owned); operates in the Ventron high pressure laboratory at Danvers, producing special metal-based chemicals and a wide variety of carbonyl compounds.

| Capitalization      | As at December 31, 1966 |                      |       |
|---------------------|-------------------------|----------------------|-------|
|                     | Outstanding             | Held by Falconbridge |       |
| Common shares ..... | 386,476                 | 162,538              | 42.1% |

| Financial                                       | Year ended December 31 |             |
|---|------------------------|-------------|
|   | 1966                   | 1965        |
|   | (in U.S. funds)        |             |
| Net sales .....                                 | \$5,072,000            | \$3,800,000 |
| Earnings after all charges .....                | 436,000                | 368,000     |
| Dividends paid — 40¢ in 1966, 20¢ in 1965 ..... | 149,000                | 72,000      |
| Working capital .....                           | 3,271,000              | 2,851,000   |

| Falconbridge interest in                | Per share of Falconbridge |               |
|---|---------------------------|---------------|
|   |                           |               |
| Earnings after all charges .....        | \$ 184,000                | \$ .04        |
| Dividends paid .....                    | 63,000                    | .01           |
| Excess of earnings over dividends ..... | <u>\$ 121,000</u>         | <u>\$ .03</u> |

### Management

President M. C. Lauenstein, Jr., Beverly, Massachusetts, U.S.A.

## ZEBALLOS IRON MINES LIMITED

This company operates the iron ore properties on the west coast of Vancouver Island leased from Anyox Metals Limited and its iron concentrate production is being sold under advantageous contract terms through the Japanese steel markets. Operating profits before write-offs for the year amounted to \$543,000 compared with \$1,255,000 for 1965. Falconbridge received \$1,151,000 in 1966 in repayment of funds advanced to bring the property into production.

### Management

President and Managing Director P. N. Pitcher, Toronto

Mine Manager C. E. G. Brown, Zeballos, B.C.

## UNITED KENO HILL MINES LIMITED

During the past two years, the ore reserve position of the company's properties in the Yukon has continued to deteriorate. This has resulted from the critical shortage of labour, particularly miners, and from the fact that the properties have not responded to current exploration and development work. A substantial loss was sustained for the first nine months of 1966, and a decision was made to curtail operations beginning in the fourth quarter of the year.

Active exploration and development programs have been reduced substantially and mining operations are now confined to ore zones which can be mined profitably under existing conditions. A much higher grade of mill feed in the fourth quarter, together with lower exploration and development costs, produced sufficient profits in the period to offset the loss accumulated in the first nine months of fiscal 1966.

(The company notified its shareholders on February 24, 1967, that the current rate of production will probably be maintained until this fall, and that production at a much lower rate may be possible until the spring of 1968).

|   | As at December 31, 1966 |                           |
|---|-------------------------|---------------------------|
|   | Outstanding             | Held by Falconbridge      |
| <b>Capitalization</b>                             |                         |                           |
| Common shares .....                               | 2,470,000               | 1,195,989 48.4%           |
|   | Year ended December 31  |                           |
|   | 1966                    | 1965                      |
| <b>Production</b>                                 |                         |                           |
| Tons ore milled .....                             | 120,000                 | 147,000                   |
| Ounces silver produced .....                      | 4,235,000               | 4,702,000                 |
| Pounds lead produced .....                        | 16,648,000              | 18,754,000                |
| Pounds zinc produced .....                        | 12,000,000              | 16,700,000                |
| Pounds cadmium produced .....                     | 145,000                 | 198,000                   |
| <b>Financial</b>                                  |                         |                           |
| Net value metal produced .....                    | \$ 7,551,000            | \$ 9,009,000              |
| Expenditures on exploration and development ..... | 429,000                 | 1,156,000                 |
| Profit before depreciation .....                  | 503,000                 | 1,254,000                 |
| Earnings after all charges .....                  | 26,000                  | 823,000                   |
| Dividends paid — 30¢ per share .....              | —                       | 741,000                   |
| Working capital .....                             | 5,145,000               | 4,653,000                 |
| <b>Falconbridge interest in</b>                   |                         | Per share of Falconbridge |
| Earnings after all charges .....                  | \$12,000                | —                         |

## Management

|                                      |                                      |
|--------------------------------------|--------------------------------------|
| Vice-President and Managing Director | P. N. Pitcher, Toronto               |
| General Manager                      | D. R. DeLaporte, Yellowknife, N.W.T. |
| General Superintendent               | M. G. Stoner, Elsa, Yukon Territory  |

## MISCELLANEOUS COMPANIES

No active work programs were carried out during 1966 on the properties of Canadian Malartic Gold Mines Limited, Dunraine Mines Limited, Horne Fault Mines Limited, Kiena Gold Mines Limited, New Pascalis Mines Limited or Q.M.I. Minerals Limited or its subsidiary, Klukwan Iron Ore Corporation. The affairs of all these subsidiary companies remain essentially the same as for the previous year.

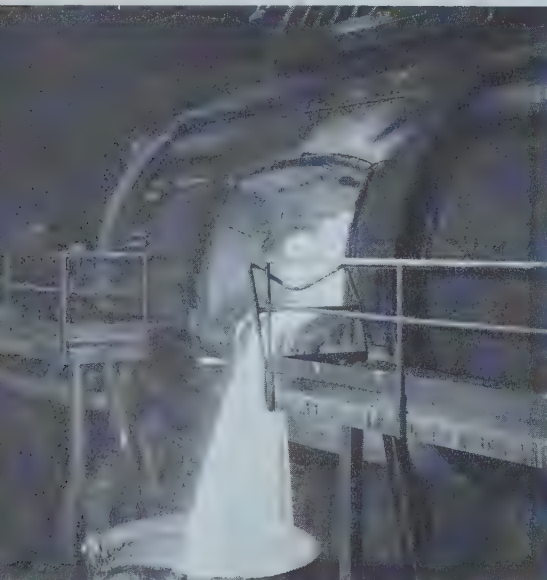
Setting up diamond drill at property of New Quebec Raglan Mines Limited, in Ungava region.  
Photo was taken in June 1966.



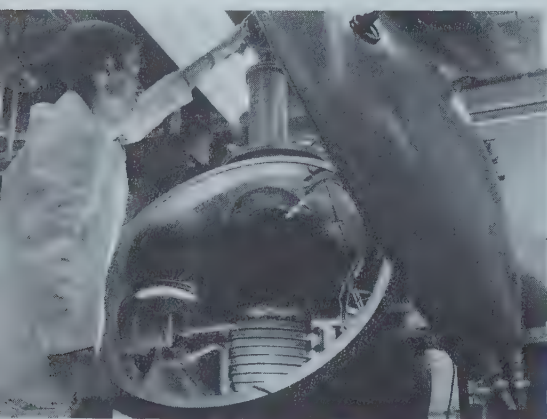




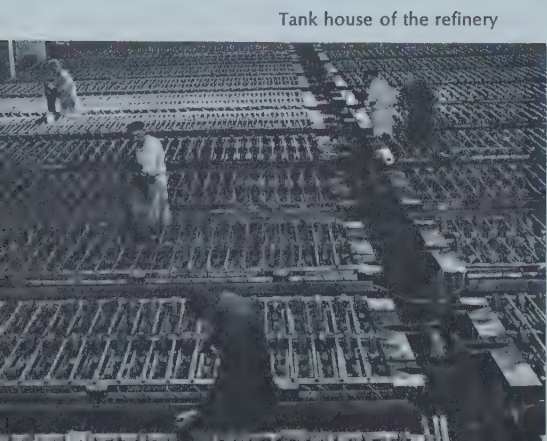
Wagon drilling, Falconbridge Mine



Converter aisle in the smelter



Metallurgical laboratory research



Tank house of the refinery



## TEN-YEAR REVIEW OF FINANCIAL D

### ORE RESERVES — (tons)

#### OPERATIONS

Metal deliveries (pounds)

Nickel .....

Copper .....

Metal sales and other operating revenues .....

Operating profit from nickel operations before write-offs .....

Income from investments .....

Development and preproduction expenditures written off .....

Depreciation .....

Expenditures on exploration, research and process development ..

Interest on long term liability .....

Income taxes — current .....

— deferred (2) .....

Earnings .....

Amount per share .....

#### DIVIDEND RECORD

Amount paid per share .....

#### CAPITAL EXPENDITURES

(including development and preproduction)

Nickel operations .....

Wesfrob Mines Limited — Tasu project .....

#### FINANCIAL POSITION

Working capital .....

Investment in subsidiary and other companies .....

Plant and properties — net .....

Long term debt less amount included under current liabilities ...

Shareholders' equity .....

Amount per share .....

Shares outstanding at end of year .....

(1) Includes sales of nickel purchased from the United States Government

(2) The Company adopted deferred tax accounting effective January 1, 1964.

**FALCONBRIDGE NICKEL MINES LIMITED**  
AND ITS WHOLLY-OWNED SUBSIDIARIES

(in thousands)

|              | 1966     | 1965     | 1964     | 1963     | 1962     | 1961     | 1960     | 1959     | 1958     | 1957   |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|
|              | 55,717   | 55,260   | 52,236   | 51,322   | 48,263   | 46,247   | 46,089   | 46,182   | 43,893   | 45,776 |
| (1) 78,963   | 72,984   | 78,485   | 53,245   | 61,061   | 65,546   | 65,002   | 58,413   | 48,509   | 46,880   |        |
| 32,872       | 33,813   | 25,102   | 28,690   | 33,831   | 38,817   | 36,012   | 32,728   | 30,896   | 25,228   |        |
| (1) \$92,495 | \$82,840 | \$80,306 | \$59,764 | \$73,760 | \$76,312 | \$70,562 | \$64,147 | \$56,756 | \$57,920 |        |
| 26,930       | 27,905   | 27,305   | 20,293   | 33,419   | 34,015   | 32,143   | 28,228   | 25,051   | 26,813   |        |
| 23,209       | 17,418   | 11,055   | 5,713    | 5,225    | 2,122    | 1,192    | 732      | 369      | 234      |        |
| 1,665        | 1,824    | 898      | 1,768    | 2,991    | 3,504    | 2,862    | 4,466    | 7,675    | 7,018    |        |
| 3,304        | 2,701    | 2,384    | 2,355    | 5,918    | 9,811    | 9,722    | 9,538    | 6,516    | 5,876    |        |
| 12,521       | 6,596    | 4,430    | 4,613    | 5,190    | 3,394    | 1,872    | 1,951    | 1,463    | 1,742    |        |
| 33           | 85       | 171      | 276      | 479      | 776      | 1,092    | 1,342    | 1,519    | 1,583    |        |
| 675          | 3,100    | 6,500    | 3,300    | 5,050    | 2,200    | 2,250    | 3,400    | 1,400    | 635      |        |
| 5,500        | 5,500    | 3,000    |          |          |          |          |          |          |          |        |
| 27,725       | 26,768   | 21,965   | 14,288   | 19,833   | 16,968   | 16,065   | 8,448    | 7,053    | 9,953    |        |
| \$ 5.66      | \$ 5.47  | \$ 4.51  | \$ 2.94  | \$ 4.11  | \$ 4.49  | \$ 4.26  | \$ 2.25  | \$ 1.88  | \$ 2.65  |        |
| \$ 3.50      | \$ 3.50  | \$ 2.80  | \$ 2.50  | \$ 2.50  | \$ 1.70  | \$ 1.50  | \$ 1.20  | \$ 1.20  | \$ 1.20  |        |
| \$27,619     | \$11,874 | \$ 6,444 | \$ 6,794 | \$ 8,177 | \$ 9,813 | \$ 6,861 | \$ 4,254 | \$ 7,353 | \$14,314 |        |
| 22,655       | 9,953    | 4,701    | 612      | 98       |          |          |          |          |          |        |
| \$32,773     | \$55,416 | \$58,831 | \$69,668 | \$75,380 | \$45,848 | \$37,547 | \$27,959 | \$18,819 | \$13,939 |        |
| 59,713       | 66,131   | 65,121   | 48,516   | 44,755   | 3,221    | 1,943    | 1,555    | 2,599    | 2,702    |        |
| 67,422       | 31,333   | 26,686   | 21,975   | 20,749   | 20,414   | 24,167   | 29,389   | 37,288   | 40,670   |        |
|              |          | 1,000    | 2,000    | 4,000    | 6,000    | 11,000   | 17,092   | 23,125   | 27,125   |        |
| 187,157      | 172,621  | 160,894  | 146,275  | 142,834  | 68,304   | 57,399   | 46,716   | 42,770   | 40,225   |        |
| \$ 38.24     | \$ 35.29 | \$ 33.03 | \$ 30.15 | \$ 29.61 | \$ 18.06 | \$ 15.24 | \$ 12.44 | \$ 11.39 | \$ 10.71 |        |
| 4,895        | 4,892    | 4,871    | 4,852    | 4,824    | 3,781    | 3,767    | 3,756    | 3,756    | 3,756    |        |

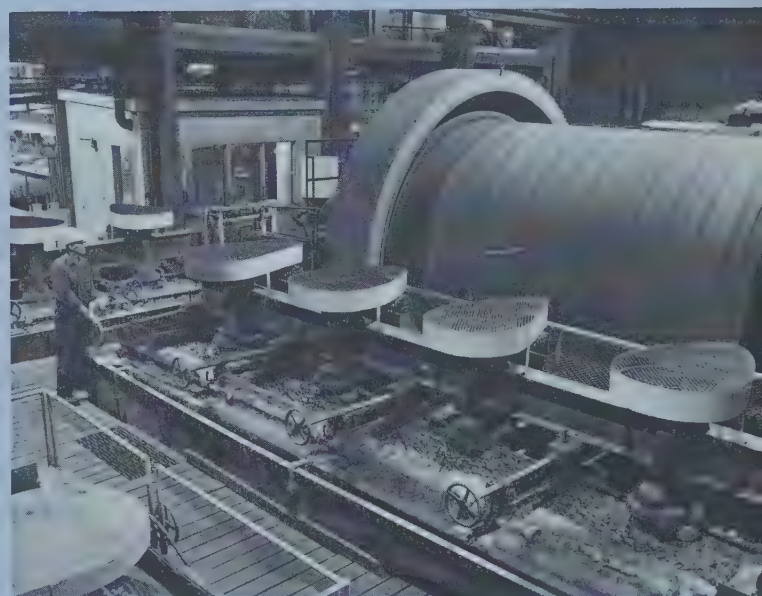


Enlarged metallurgical pilot plant constructed by Falconbridge in the Dominican Republic for treatment of lateritic nickel ore. It began operating in February 1967.



Trolley locomotive underground at Opemiska Copper Mines (Quebec) Limited.

Section of the mill at Lake Dufault Mines Limited, copper-zinc producer in Quebec.



Pouring gold bars at Giant Yellowknife Mines Limited in the Northwest Territories.

Nepheline syenite ore being removed from extensive quarries of Industrial Minerals of Canada Limited, Nephton, Ontario.





## SERVING WORLD NICKEL MARKETS

through the following Sales Offices:

|                   |   |                     |  |
|-------------------|---|---------------------|--|
| AUSTRALIA         | Nickel & Nickel Alloys,<br>6th Floor — Griff House<br>324 Pitt Street, Sydney.              | LATIN AMERICA       | Philipp Brothers (Canada)<br>Ltd.<br>1245 Sherbrooke St. West,<br>Montreal 25, Canada. |
| AUSTRIA           | Braun & Braun Gesell-<br>schaft für Werksbedarf,<br>Rosensteingasse 71,<br>Vienna 17.       | LUXEMBOURG          | Métaux Bruts Belges S.p.r.l.,<br>Oudaan 8/10,<br>Antwerp, Belgium.                     |
| BELGIUM           | Métaux Bruts Belges S.p.r.l.,<br>Oudaan 8/10, Antwerp.                                      | NEPAL               | Metal Distributors (U.K.)<br>Ltd.<br>59/67 Gresham St.,<br>London E.C. 2, England.     |
| CANADA            | Falconbridge Nickel Mines<br>Limited<br>7 King Street East,<br>Toronto, Ontario.            | NEW ZEALAND         | Automatic Plating Equip-<br>ment Co. (N.Z.) Ltd.<br>103 Newton Road,<br>Auckland, C.3. |
| DENMARK           | AB Ferrolegeringar,<br>Sveavägen 17,<br>Stockholm, Sweden.                                  | NORWAY              | Falconbridge Nikkelverk A/S<br>Kristiansand S.   |
| FINLAND           | AB Ferrolegeringar,<br>Sveavägen 17,<br>Stockholm, Sweden.                                  | PAKISTAN            | Metal Distributors (U.K.)<br>Ltd.<br>59/67 Gresham St.,<br>London E. C. 2, England.    |
| FRANCE            | Dieppedalle & Séailles,<br>39, Rue du Colisée, Paris 8e.                                    | RHODESIA            | Barry Colne & Co. (Pty.) Ltd.,<br>257 Main Street,<br>Johannesburg, South Africa.      |
| GERMANY<br>(WEST) | Hütten Metall G.m.b.H.<br>Neue Mainzer Strasse<br>40-42,<br>Frankfurt Am Main.              | SOUTH AFRICA        | Barry Colne & Co. (Pty.) Ltd.<br>257 Main Street,<br>Johannesburg, South Africa.       |
| HOLLAND           | Brandeis, Goldschmidt &<br>Co. Ltd.<br>30 Gresham St.,<br>London E.C. 2, England.           | SPAIN               | Jorge Pascual S.A.,<br>Pje. Marques de Santa<br>Isabel 40,<br>Barcelona 5.             |
| HONG KONG         | Jardine, Matheson & Co. Ltd.,<br>Industrial Supplies Dept.,<br>22 Pedder Street, Hong Kong. | SWEDEN              | AB Ferrolegeringar,<br>Sveavägen 17, Stockholm.  |
| INDIA             | Metal Distributors Ltd.<br>Binani Buildings,<br>38 Strand Road,<br>Calcutta 1.              | SWITZERLAND         | Voegeli & Co. Metalle,<br>Inhaber J. Kade,<br>Postfach 8032, Zürich.                   |
| ISRAEL            | Brandeis, Goldschmidt &<br>Co. Ltd.<br>30 Gresham Street,<br>London E.C. 2, England.        | TAIWAN<br>(FORMOSA) | Philipp Brothers (Canada)<br>Ltd.<br>1245 Sherbrooke St. West,<br>Montreal 25, Canada. |
| ITALY             | "Victoria" S.p.A.,<br>Piazza della Vittoria, 4,<br>Genoa.                                   | UNITED KINGDOM      | Brandeis, Goldschmidt &<br>Co. Ltd.<br>30 Gresham Street,<br>London E. C. 2, England.  |
| JAPAN             | Mitsubishi Shoji Kaisha<br>Ltd.<br>20 Marunouchi 2-Chome,<br>Chiyoda-ku, Tokyo.             | UNITED STATES       | Falconbridge Nickel Mines<br>Limited<br>7 King Street East,<br>Toronto 1, Canada.      |





F. R. ARCHIBALD  
*Director of Metallurgy  
and Research*



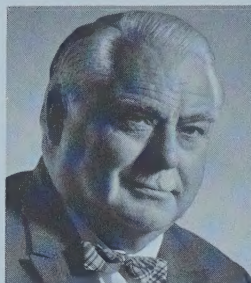
R. CAMPBELL  
*Executive Vice-President*



W. G. DAHL  
*Vice-President —  
Marketing*



E. L. HEALY  
*Vice-President —  
Nickel Division*



H. J. FRASER  
*President  
and Managing Director*



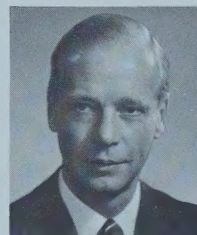
G. S. JEWETT  
*Vice-President —  
Corporate Affairs*



G. P. MITCHELL  
*Director of Exploration  
and Geology*



P. N. PITCHER  
*Vice-President —  
Minerals Division*



G. T. N. WOODROOFFE  
*Vice-President — Finance  
and Secretary*

## **FALCONBRIDGE NICKEL MINES LIMITED**

Head Office—7 King Street East, Toronto 1, Ontario.

Main Office, Sudbury Operations—Falconbridge, Ontario.

Montreal Office—1440 St. Catherine Street West, Montreal 25, Quebec.

Vancouver Office—1112 West Pender Street, Vancouver 1, B.C.

### **Sudbury Operations:** Manager—G. A. Allen.

Producing Mines: Falconbridge, East, Onaping, Hardy, Fecunis Lake, North.

Mines being readied for production: Strathcona Mine, scheduled for production early 1968; Longvack South Mine, scheduled for production early 1968.

Mine under Development: Preliminary work on Lockerby Mine shaft.

Concentrators: Falconbridge, Hardy, Fecunis Lake; Strathcona (now under construction).

Smelter: Falconbridge. Pyrrhotite Plant: Falconbridge.

**Research Laboratories:** Thornhill (near Toronto) and Falconbridge, Ontario; Kristiansand S., Norway. Lakefield Research Limited, Lakefield, Ontario.

**Exploration Offices:** Toronto and Port Arthur, Ontario; Montreal and Noranda, Quebec; Winnipeg, Manitoba; Vancouver, B.C.

**Refinery:** Manager—R. Jahnsen. Falconbridge Nikkelverk A/S, Kristiansand S., Norway.

**Lateritic Nickel Project:** General Manager — Ian H. Keith.

Falconbridge Dominicana, C. por A., Santo Domingo, Dominican Republic.

**Solicitors:** Tilley, Carson, Findlay & Wedd, Toronto.

**Auditors:** Clarkson, Gordon & Co., Toronto.

**Transfer Agents and Registrars:** Crown Trust Company, Toronto, Montreal and Vancouver.

Registrar and Transfer Company, New York and Jersey City, U.S.A.

Falconbridge Nickel Mines Limited has joined other Canadian companies in sponsoring the Pavilion of Economic Progress at EXPO 67. Theme of the pavilion, shown here in an artist's rendering, is the role of business and industry in the Canadian economy and way of life. A dramatic story will be told bilingually, in an entertaining and educational manner, through stage presentations and individual company exhibits.

Also represented at EXPO are other companies in the Falconbridge group: Industrial Minerals of Canada Limited; and Lake Dufault Mines Limited, Opemiska Copper Mines (Quebec) Limited and Marbridge Mines Limited, participating as members of the Quebec Metal Mining Association.





FALCONBRIDGE



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